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NOTICE: An * indicates material not previously disseminated in electronic form.

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Trade Unions Appeal to CIS on Employment, Poverty

MM3107083495 Moscow RABOCHAYA TRIBUNA in Russian 28 Jul 95 p 5

[Unattributed report under the "Own Information" rubric: "Trade Unions Ask for Help"]

[FBIS Translated Text] The General Confederation of Trade Unions and affiliated trade union centers from the near abroad have appealed to the CIS countries' heads of state and government to adopt measures to ensure the immediate solution of the most important social problems, first and foremost employment and poverty.

The appeal says that the situation in the CIS countries is continuing to cause profound concern. The price of the economic and political transformation has become excessive. Time is passing, but the citizens' well-being is not improving. On the contrary, the unemployment figure is rising, real incomes are falling, and even people who are working cannot always make ends meet. People are not getting their wages, low though they are, on time. Working people's rights as prescribed by national legislation, collective contracts, and international labor norms are being violated on a massive scale.

The trade unions believe that the deepening of integration among states would promote the dynamic and harmonious development of their economies. It would be expedient for a session of the heads of governments to hear a report on progress in the fulfillment of agreements in the socioeconomic sphere.

ITAR-TASS Carries Press Review for 29 Jul

LD2907060595 Moscow ITAR-TASS in English 0534 GMT 29 Jul 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, July 29 (ITAR-TASS) — ROSSIYSKAYA GAZETA carries an interview with the Russian minister for nationalities and regional policies Vyacheslav Mikhaylov who leads the Russian delegation to the peace talks in Groznyy. Mikhaylov stressed that "switching over from the settlement of the conflict by force to political settlement is a state policy and a strategy of the talks in Groznyy. This is a common position taken by president Boris Yeltsin and the Russian Premier Viktor Chernomyrdin."

IZVESTIYA carries an article entitled "Rallies in Chechnya Held According to the Same Scenario". "Spontaneous rallies of Dudayev's supporters have been held in many settlements of Chechnya in recent days. However, both the portraits of the Russian general and ultimatums made by the protesters do not enjoy a wide support of the population who are busy, restoring their ruined homes. It is not the rallies that are held in village centers that are surprising but the fact that they are held everywhere simultaneously, as if ordered "from above". It is not the ideologists of Chechen independence but rather the command of the Federal troops that has been acting as the highest authority which sanctions mass meetings," the newspaper concludes.

ROSSIYSKIYE VESTY says that in August, participants in the election race will waste their time. In an article entitled "Senators Split Over Law on Themselves" the newspaper says that "The Federation council refused to put on the agenda another debate on the definition of the border lines of one-mandate constituencies, which means that the Central electoral commission will have to hold elections on the previous pattern which will be made public no sooner than at the end of August, whereas until then, candidates from one-mandate constituencies cannot be nominated." "The stubbornness of the Federation Council is not merely an obstacle to the Central electoral commission and the candidates, but in fact, is an infringement on voters's rights," the newspaper said. The article says that the old system of dividing the country into constituencies has become obsolete over the past two years and is inadequate to the present situation.

The RED STAR DAILY carries an interview with the commander of the Russian Navy Feliks Gromov in connection with the 299th anniversary of the Russian Navy marked on July 30. The admiral said that the Naval marines had been going through serious hardships.

KOMSOMOLSKAYA PRAVDA writes that the Russian Navy will celebrate a "round" anniversary in a year's time, while the situation at the fleet is desperate. No new ships are being built, Russia has been practically ousted from the Baltics, while a long and tedious division of the fleet between Russia and Ukraine has been going on when no fuel is provided, which means that the powerful Northern and Pacific fleet are paralyzed without real combat training. A sad account of the collapse of the Russian Navy might be continued, but whether it is worth while, the newspaper said. KOMSOMOLSKAYA PRAVDA comments on the appointment of Mikhail Barsukov director of the Russian Federal security service." An attitude to Barsukov and the Federal security service is as unequivocal as it was before his appointment to this post," the newspaper said.

PRAVDA carries an interview with the chairman of the Duma committee for economic policies, Sergey Glazyev, who analyses the economic situation and makes forecasts for the near future.

Yeltsin Discusses Bosnian Situation With Clinton

LD2807184095 Moscow ITAR-TASS World Service in Russian 1737 GMT 28 Jul 95

[FBIS Translated Text] Moscow, 28 Jul (ITAR-TASS) — Issues relating to the situation in Bosnia were discussed this evening during a telephone conversation between Russian Federation President Boris Yeltsin and U.S. President Bill Clinton.

A Russian presidential press service statement received by ITAR-TASS says that Boris Yeltsin set out Russia's position on the situation in Bosnia, reported the measures taken by Russia in the past few days to normalize the situation in the region, and called for the widest possible use of the positive results of Andrey Kozyrev's recent talks with the Yugoslav leadership after he went to Belgrade on the instructions of the Russian president.

Boris Yeltsin stressed Russia's firm adherence to finding a political solution to the Bosnian problem and noted the need to support the settlement plan put forward by Carl Bildt (the EU mediator in the Yugoslav settlement).

The Russian president voiced his serious concern at the deterioration in the situation near the Bihac enclave and called on Clinton to take steps to prevent the involvement of Croatian troops in clashes in that area. He pointed to the danger of sliding toward the escalation and spread of military operations.

Bill Clinton set out the position of the United States and NATO on the Bosnian problem, the statement by the Russian Federation presidential press service says.

Yeltsin Sends Message to French President on Bosnia

LD2807185795 Moscow ITAR-TASS in English 1835 GMT 28 Jul 95

[By Nikita Yermakov]

[FBIS Transcribed Text] PARIS, July 28 (Itar-Tass) — French President Jacques Chirac received today a message of Boris Yeltsin which dwells on the need to search for a diplomatic solution to the Bosnian conflict, reports the office of the French state head.

France agrees with the need for diplomatic settlement. Political settlement remains the goal, and it is necessary to coordinate stands in order to understand how this goal can be achieved, said official representative of the French President Catherine Colonna.

Official: Steps at UN Possible To Stop Croatia

LD3107093195 Moscow Radio Rossii Network in Russian 0900 GMT 31 Jul 95

[FBIS Translated Excerpt] [passage omitted] It is not ruled out that Russia will raise in the UN Security Council the question of Croatia's actions. At the end of last week, Croatia sent its troops into western Bosnia and started combat operations on the side of the Muslims. The Russian representative at the United Nations may undertake this step at any minute, a high-ranking official of the Foreign Ministry said in an interview to INTERFAX. He said Moscow is attentively watching to see how the situation in western Bosnia develops, and if it continues to deteriorate it intends to activate the Security Council.

The diplomat said the Russian side is using various diplomatic means, including contacts with Croatian President Franjo Tudjman, to persuade Zagreb to pull back its forces from Bosnia and return to the path of seeking a political resolution of the conflict.

Diplomat Reports Croat Military Plans

LD2807172395 Moscow INTERFAX in English 1559 GMT 28 Jul 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, July 28 (Interfax) — One can expect any day that the Croatian army will join hostilities in Bosnia & Herzegovina to prevent the seizure of the Muslim enclave Bihac by joint forces of Bosnian and Krajina Serbs, a high-ranking official from the Russian embassy in Zagreb told Interfax on the phone.

According to him, Croatian personnel and army vehicles are concentrated in areas of an expected breakthrough on the border with West Bosnia.

The diplomat said Zagreb wants the NATO rapid deployment force to block the advancement of Serbs in Bihac. If the international community fails to take such steps, Croatia will enter hostilities in Bosnia, he stressed.

In his opinion Zagreb will try to limit its operation in West Bosnia to prevent direct confrontation with Serbian Krajina (a self-proclaimed republic in Croatia).

The diplomat remarked that the plans for Croatian involvement in Bosnia have two causes. "Firstly, Zagreb fears that the seizure of Bihac by Serbian forces might lead to the unification of Serbian Krajina with the Serbian republic in Bosnia which in its turn will reduce to naught hopes for the reintegration of Krajina in Croatia," the official said.

Secondly, the fall of Bihac might result in a flow of refugees. "According to some estimates, about 160,000 people might join the 300,000 refugees already staying in Croatia," he said.

With regards to the situation in Bosnia, the diplomat said, referring to the UNPROFOR [United Nations Protection Forces] command in the region, that Bosnian Serbs might in the near future launch an offensive on Sarajevo.

He said armed formations were likely to attack the Bosnian capital from the north and the south in order to seize the old part of the town populated with Muslims.

He said the UN forces' command believed that Bosnian Serbs were not going to seize Bihac by force in the near future.

The UNPROFOR command believes that Serb military strategists plan to seal off this Muslim enclave and make it surrender. "Pale wants not to give a pretext for using NATO forces," the diplomat added.

The Russian diplomat said he believed that "there are quite few possibilities for resolving the Bosnian conflict by political methods at present."

However, he said that the use of force proposed by the West as an alternative was unacceptable.

The diplomat said Bosnian Serbs must be convinced that the formula for settlement of the conflict proposed by the contact group reflected their territorial interests in Bosnia and guaranteed the political status for which they were fighting.

He said the seizure of Bihac and Gorazde might only aggravate the situation and delay the search for a political solution to the problem. The diplomat said it would be too naive to think that Muslims would accept losing these two enclaves.

He said that, according to latest information available, Bosnian Croatians had taken control over the town of Grahovo and surrounded the town of Gramoc (the two large populated centers controlled by Bosnian Serbs).

The diplomat said local observers considered the seizure of Grahovo as a big military achievement in fighting against Bosnian Serbs. Grahovo is an intersection where roads connecting the territories controlled by Bosnian Serbs with Knin (the capital of Serb Krajina) cross.

'Expert' on Possible Repercussions

LD2907134195 Moscow INTERFAX in English 1314 GMT 29 Jul 95

[FBIS Transcribed Text] MOSCOW, JULY 29 (Interfax) — Escalated hostilities that follow in the wake of the all-arms offensive operation launched by Croatia's regular forces may lead to unpredictable geopolitical repercussions, a knowledgeable expert close to President Yeltsin's staff told Interfax Saturday [29 July].

The expert who prefered to remain unidentified believes that "NATO's connivance" in the context of the Croatian army buildup in the zone of the Bosnian conflict signals the beginning of NATO's expansion.

"If this is what explains NATO's unwillingness to check the Croatian advance, the earlier promise of the exclusively peaceful and political character of the Alliance's geographic expansion, made by the Alliance's leading member-nations, proves false," the expert said.

"There is no doubt that the latest moves by the NATO forces go beyond the limits of the UN Security Council mandate for peacekeeping in the former Yugoslavia," he also said.

Kozyrev Views Bosnia Situation at ASEAN Meeting

Opposes Lifting Embargo on Muslims

LD3007163195 Moscow INTERFAX in English 1525 GMT 30 Jul 95

[FBIS Transcribed Text] BANDAR-SERI-BEGAWAN (BRUNEI), July 30 (Interfax) — Russia's Foreign Minister Andrey Kozyrev has reaffirmed Russia's opposition to the plans to lift the embargo on arms supplies to the Bosnian Muslims.

He told reporters in Brunei's capital of Bandar-Seri-Begawan where he had arrived to attend an ASEAN consultative conference, that this unilateral decision would actually mark the beginning of the disintegration of the entire system of international relations. "Such things did not happen even during the cold-war era," he said.

He told Interfax that Russia fully supported the plan proposed by co-chairman of the international conference on former Yugoslavia, EU representative Carl Bildt. This plan, said Kozyrev, is by no means at variance with the peace plan proposed by the contact group. It only specifies it, he added. The plan, offered by the contact group has to do exclusively with the conflicting Bosnian sides, Kozyrev said. The Bildt plan deals with another, Yugoslav, aspect of the problem and provides for a long-term suspension of sanctions against Belgrade in exchange for the recognition of Bosnia by the latter, said Kozyrev.

He said that the Bildt plan would strengthen the positions of Serb President Slobodan Milosevic who supports the contact group's peace plan, and have a positive impact on the warring parties, above all the

Bosnian Serbs. He expressed hope that in this case the Bosnian Serbs would finally support the plan proposed by the contact group.

He also said that the sanctions against Belgrade should have been cancelled a long time ago. "Why should Yugoslavia be kept under the burden of sanctions when it supports the contact group's peace plan and does not command the Bosnian Serbs?" said Kozyrev.

Supports 'Double Key' Policy

LD3007161995 Moscow INTERFAX in English 1525 GMT 30 Jul 95

[FBIS Transcribed Text] BANDAR-SERI-BEGAWAN (BRUNEI), July 30 (Interfax) — Russia cannot put up with the cancellation of the "double key" principle, in accordance with which the decision to deliver air strikes on any of the conflicting parties in Bosnia is taken not only by NATO but also by the U.N., Russia's Foreign Minister Andrey Kozyrev, who is currently in Brunei' capital of Bandar-Seri-Begawan, told Interfax.

He said that on Saturday he sent a corresponding instruction to Russia's U.N. representative in New York.

He gave to understand that Russia would make every effort to save the "double key" principle set forth in all of the corresponding U.N. resolutions. "This is our cardinal position," he said. "There is no alternative to the 'double key' principle," he added.

He expressed hope that Russia's partners in the contact group would support President Yeltsin's proposal on sending Russian peacekeepers to the safe area in Gorazde.

He also noted that this proposal is based on the recommendations which he and Defense Minister Pavel Grachev had made on the basis of the contact groups' London conference on Bosnia.

"We shall work to ensure that the partners give us their support," said Kozyrev. He announced that he had sent messages to the contact group's foreign ministers and that he was to meet with U.S. secretary of State Warren Christopher in Bandar-Seri-Begawan on August 1.

Christopher will arrive in Brunei to take part in a conference on regional security which will also be attended by Kozyrev.

Advocates Political Settlement

LD2907120995 Moscow ITAR-TASS World Service in Russian 1119 GMT 29 Jul 95

[By ITAR-TASS special correspondents Andrey Bychkov, Stanislav Bychkov, and Viktor Khrekov]

[FBIS Translated Text] Bandar Seri Begawan, 29 Jul (ITAR-TASS) — During a meeting with his Chinese counterpart Qian Quichen, Russian Foreign Minister Andrey Kozyrev today confirmed Russia's advocacy of a political settlement in Bosnia-Herzegovina. The ITAR-TASS correspondents were told this today by a Russian diplomat who took part in the conversation. The foreign ministers of the two countries are in Brunei for a number of international conferences under ASEAN auspices.

In response to the Chinese minister's request to explain the Russian view of the present aggravation of the Bosnian crisis, Kozyrev said that Russia continues to advocate looking for a political way out of the impasse, such a possibility being perfectly realistic, Moscow believes. It could look something like this: cessation of military operations, Belgrade's recognition of Bosnia, alleviation and later the abolition of sanctions against the FRY. The Russian leadership believes this should yield concrete results in terms of an advance towards a long-term settlement.

Moreover, Kozyrev noted, the "Bildt plan" should be given close attention.

The Chinese minister expressed understanding and support for the Russian position, the diplomat said.

Moscow Seeks UN Control Over NATO Air Strikes

LD2807172195 Moscow INTERFAX in English 1559 GMT 28 Jul 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, July 28 (Interfax) — The decision of the UN Secretary General Butrus-Ghali to surrender to the commander of the peacekeeping force in ex-Yugoslavia Bernard Janvier the right to order the use of NATO aviation actually stands for the abolition of the double key principle, a high-ranking Russian Foreign Ministry official told Interfax Friday.

This principle advocated by Russia implies that the decision on NATO air attacks on sides to the Bosnian conflict should be made by two parties — NATO and the UN.

According to the diplomat, if the political leadership of the UN is barred from the mechanism and brought to a lower technical level, this can lead to the loss of control by the international community over NATO actions in Bosnia and the situation as a whole.

In the present situation the Russian side is determined to persuade the UN to alter the mechanism, so as to guarantee full control of the world community over decisions on the use of NATO planes.

"We realize that Butrus-Ghali was forced to take the step. In response to numerous complaints about UN inaction he decided to straighten out the procedure of sanctioning NATO operations to prevent the further escalation of the conflict in Bosnia," the diplomat said.

However, this step taken for noble reasons might have very grave consequences, in particular for the UN humanitarian operation in Bosnia, the source stressed.

In the opinion of the official, sometimes the use of force is necessary but this should happen in the framework of UN Security Council resolutions.

Commenting on the resolution of the US Senate unilaterally lifting the embargo on arms deliveries to Bosnia the diplomat said that only the UN Security Council has the right to decide on such matters.

Asked whether Russia would veto the lifting of the embargo during a Security Council debate the ministry official said: "We proceed from the assumption that the matter will not go so far. We hope that common sense will prevail."

Senate Bosnia Vote Could Spark 'Chain Reaction'

MM3107104495 Moscow KRASNAYA ZVEZDA in Russian 29 Jul 95 p 1

[Article by Vadim Markushin: "The Balkans: Threat of a Chain Reaction"]

[FBIS Translated Text] American senators made Europe tremble when they voted to lift the ban on arms supplies to Bosnia-Herzegovina. It does not take a great deal of imagination to picture what their resolution could mean for the world as a whole. First, a new spate of intensified hostilities since the Serbs will attempt to grab additional bits of territory during the "threat period." Then an escalation of the Balkan campaign by virtue of Serbia and Croatia becoming involved.

Many observers are today leaning toward this or approximately this scenario in the former Yugoslavia. Because they realize very well that the logic of the war sets people and armies in motion most often on the chain reaction principle. "The situation is confused and sinister," Britain's DAILY TELEGRAPH writes, believing that a spread of the military conflagration is possible not only because of the de facto lifting of the embargo but simply because of the signal from the U.S. Senate, which carries a pretty powerful provocative potential for inflaming the situation.

There is currently considerable talk to the effect that the Senate vote "as yet does not mean anything." This is something like clutching at straws, a last hope that common sense will prevail and the White House will decide to keep faith with its NATO allies and "Contact Group" partners, who are insisting on maintaining the status quo. Not to preserve the situation, of course, but as a basis, albeit fragile, for restoring peace by political means. Indeed the American side is itself not opposed in principle to such an agreed view. In general, people are still waiting for Clinton to exercise his right of veto to prevent the implementation of the U.S. Senate's decision. At the same time, of course, there are warnings that Washington risks talking on the main responsibility for the withdrawal of the "blue helmets" and further heavy casualties from senseless carnage.

'Hawkish' U.S. Senate Stance on Embargo Viewed

LD3007193495 Moscow Voice of Russia World Service in English 1800 GMT 30 Jul 95

[FBIS Transcribed Text] A spokesman for the U.S. White House told REUTER on Sunday that the U.S. Administration would make every effort to overturn the vote by the Senate to lift the arms embargo against the Bosnian Muslims.

Many observers believe the Senate move could result in a human tragedy of unprecedented proportions. The hawkish stance of the U.S. lawmakers is seen as an attempt to encourage divisions within the Muslim world and to step up pressure on Iraq and Libya. The vested interests of U.S. arms exporters could also be a factor.

A slanderous campaign is being pursued in the Saudi media, apparently aimed at distorting the stand taken by Russia over the Bosnian crisis.

Radio Comments on U.S.-ROK Summit Meeting

SK2907094995 Moscow Voice of Russia World Service in Korean 1200 GMT 27 Jul 95

[From the "Today's World" program]

[FBIS Translated Text] New measures on the Korean peninsula situation were discussed at the U.S.-ROK summit talks in Washington. Station commentator Leonid Krichevskiy writes as follows:

The heads of state of the United States and the ROK will sign an official agreement. The contents are already open to the public. The agreement proposes that Pyongyang and Seoul sign a peace agreement, with the

United States and the PRC guarantors of the agreement and Russia and Japan participants in the agreement as observers. The new plan is expected to be in a "two plus four" plan. The official agreement will be conveyed to the DPRK as soon as President Kim Yong-sam concludes his U.S. visit. A meeting of the countries participating in the coordination process will be held.

The DPRK proposed to replace the Armistice Agreement, an antiwar safeguard system established in 1953, with a peace system. Pyongyang closed down the building of the armistice supervisory commission, (?cutting the dialogue channel) north of the 38th parallel. The DPRK is not even accepting the members of the armistice supervisory body. The appointment of a ROK general as the UN representative of the armistice commission was the cause for the closure. Pyongyang refuses any type of talks with ROK generals. Pyongyang only recognizes the United States as the party concerned to the peace agreement because the DPRK was battling against the United States in the war that ended in 1953.

The UN representative to the armistice commission will be replaced in August 1995 at which time a high-ranking U.S. military representative will be appointed. Dialogue to safeguard peace on the Korean peninsula may be resumed by then. It is true that the Armistice Agreement, which was designed to maintain peace on the peninsula, is out of date. It is a matter of course that the agreement should be replaced with a peace agreement. Pyongyang will not change its stance even after the UN representative is replaced and the situation on the Korean peninsula will remain in a stalemate. The system under the existing agreement should not be abolished until a new agreement is adopted. The agreement will not be effective at all until the provisions are concluded. The contents have not been finalized.

We have to point out that Russia's position has not been considered in drafting the adjusted agreement. Russia agrees that the peace regime of the Korean peninsula should be revised on a full scale. However, when and how to replace the system is not yet clear. The adjustment process should not be hasty. The old agreement should remain as the basis of the safeguard system until a new one emerges. Russia proposed an international conference on the situation on the peninsula. The conference should be attended not only by the aforementioned countries but also by other concerned countries. The issue should also be discussed at the Asia-Pacific regional security meeting.

In short, it is too early to say that the two-plus-four method proposed by the Foreign Ministries of the United States and the ROK is the final proposal to safeguard the peace on the Korean peninsula.

Gosatomnadzor To Negotiate Safety Accords With U.S.

MM2807144095 Moscow ROSSIYSKAYA GAZETA in Russian 28 Jul 95 p 4

[Russian Federation Government Directive No. 994 dated 17 July and signed by Russian Federation Government Chairman Viktor Chernomyrdin]

[FBIS Translated Text] With a view to implementing the Agreement Between the Russian Federation and the United States of America Pursuant to the Safe and Reliable Shipment, Storage, and Destruction of Weapons and the Prevention of the Proliferation of Weapons signed 17 June 1992, and the Agreement between the Government of the Russian Federation and the Government of the United States of America on the Enhancement of Operational Safety, Risk Reduction Measures, and Nuclear Safety Standards for Civilian Nuclear Installations in the Russian Federation signed 6 December 1993, Gosatomnadzor [the Russian Federal Inspectorate for Nuclear and Radiation Safety], with the participation of interested federal organs of executive power, is to conduct negotiations on the conclusion with the U.S. Department of Energy of an agreement on cooperation in the field of improving national systems for the protection, monitoring, and recording of nuclear materials and an agreement on cooperation in the field of enhancing the nuclear and radiation safety of nuclear fuel cycle installations and research reactors and, in the event agreement is reached, to sign them.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government

Zhirinovskiy Stresses Importance of German Ties

AU2907205295 Munich DEUTSCHE NATIONAL-ZEITUNG in German 28 Jul 95 pp 5-6

[Second and final part of "exclusive" interview with Vladimir Zhirinovskiy, leader of the Liberal Democratic Party of Russia, by Gerhard Frey, publisher of DEUTSCHE NATIONAL-ZEITUNG and chairman of the German People's Union, in Moscow; date not given: "German-Russian Friendship as a Guarantee of Peace"]

[FBIS Translated Text] [Frey] The so-called community of values is viewing the 17 December Russian parliamentary elections with trepidation. The opinion-forming machinery in Germany has launched such slander about you and your Liberal Democrats that newspaper hacks are starting to believe their own inventions. Will the world end if you win the elections and increase the strength of the Russian Liberal Democrats even further?

[Zhirinovskiy] We will have a big success, and this success will improve my position in the presidential elections in the middle of next year. Whatever slander and defamation the television channels, radio stations,and newspapers in Germany and Austria say about me does not concern the Russian voter one little bit and has no significance whatsoever in the great Russia. Anyone who realizes the extent to which I am slandered against will be even more eager to vote for me.

[Frey] And what will the consequences be?

[Zhirinovskiy] Highly positive in every respect. A stabilization of relationships is occurring. No one needs to fear me, except the Mafia. I will finish off these brigands by legal means, and put an end to the protection money from which a major part of our industry is suffering. Law-abiding citizens will once again be able to work freely without fear. The standard of living will gradually normalize. I cannot accept the dissolution of the armaments sector, which is essential for our economy. We must achieve a mixture of a planned and market economy.

[Frey] And what will be the external effects?

[Zhirinovskiy] There will be no dissolution of Russia. The activities of anti-Russian secret services in Russia are intolerable. A strong and stable Russia serves peace. Above all, I will make Germany an entire series of attractive offers in all spheres. I will remain a friend of the German people. I will never repay Germany for the wrongs which the political top brass has done to me.

Basically, every German in his right mind must realize that the Russians and the Germans, the two largest peoples of Europe, are dependent on each other. After the horrors of two murderous wars, there can be no alternative to perpetual partnership and friendship, which we will mutually support and augment.

This will not be aimed against anyone. However, Russia and Germany are giants. And if we unite fraternally, we will be serving peace and the entire world. Some might prefer us to knock our heads off. But that would be against the interests of the Russian and German people, in fact of all people.

[Frey] Former U.S. Secretary of State Kissinger and other influential politicians and writers keep talking about the danger of a Russo-German rapprochement.

[Zhirinovskiy] For whom can it be dangerous? It might be a disadvantage to those who are encouraging a confrontation between us and hope to profit by a dispute and eventually by a war between us. But our peoples have shed much too much blood already. We owe them peace, progress, prosperity, and security. The Promised Land will be brought to us not by America, but by a friendly and peaceful settlement of issues with Germany.

[Frey] Every time I visit Russia, I notice that the country is becoming more and more Americanized, and at a rapid rate.

[Zhirinovskiy] You are right, unfortunately. From McDonald's to Coca Cola, the "American way of life" [English term given] is spreading here. The dollar is ousting the mark. The German language is falling behind English.

The refusal of visas for our Liberal Democratic faction when they wanted to attend the German People's Union event in Passau is not a sensible way for Bonn to assert German interests. We ask ourselves whether the German authorities, the Goethe Institute, and German enterprises realize Russia exists. Such a lot can be done to make millions of Russians learn German and prevent the German mark from giving way to the dollar.

[Frey] And what if you become president?

[Zhirinovskiy] Then I will encourage the teaching of German Russian schools and colleges. We Russians love the language of Goethe.

[Frey] Which you speak so well that we can talk without an interpreter.

[Zhirinovskiy] Germany and Russia are very close. However, the Russians do not want a Germany that wears itself out in self- accusations and whose representatives are still proud of their eccentric national-masochism.

If Bismarck were to see today's "German" politics and witness its core and its aims, he would turn in his grave. With its current practice of self-flagellation, Germany cannot remain normal and healthy and assume its rightful place in the world. All the acts of terror and injustice that you discover whenever you act for the sake of your country's law and freedom speak volumes. This is a disgrace for those responsible!

Things cannot and will not remain this way. Germany will recover and the German people will come to themselves.

Duma Commission Head Views Russia, Poland, NATO

WS2807144795 Warsaw GAZETA WYBORCZA in Polish 28 Jul 95 p 9

[Report by Bartosz Weglarczyk in Moscow: "Chairman of the Russian Duma Defense Committee Exclusively For GAZETA WYBORCZA on Poland's Entry Into

NATO: A Frail Security System' — first paragraph is GAZETA WYBORCZA introduction]

[FBIS Translated Text] *"Poland's entry into NATO will upset the laboriously developed European security system," Chairman of the Russian Duma Defense Commission Sergey Yushenkov told Polish journalists yesterday.*

He claims the expansion of NATO to include the states of Central Europe will strengthen Russian nationalism, evoke an "anti-West hysteria," and supply "the reactionary commanders of the Armed Forces" with an argument to demand higher spending on armament projects. "This is a psychological factor that cannot be ignored," Yushenkov added.

He claims that Poland's entry into NATO will require amendments to existing disarmament treaties. He referred specifically to limitations imposed on Russia by the Conventional Armed Forces in Europe Treaty. Moscow has been complaining for some time now that the number of tanks, artillery, and planes prescribed by the agreement is absolutely insufficient.

Yushenkov says that if Poland joins NATO, other agreements will have to be amended as well: the "open skies" treaty allowing for carrying out espionage flights over the territories of foreign countries, the START-2 agreement on nuclear arms, and the agreement on antimissile defense systems.

Before NATO admits any new members — and Yushenkov believes this is inevitable — it should transform itself from a defense alliance into an organization providing a foundation for a new system of pan-European security.

"If Russia became an associate member of a NATO thus transformed, no one (in Russia) would have any arguments against the Visegrad Group states entering the pact," Yushenkov stated. Russia could then attend all NATO assemblies where decisions are made, albeit without a right to vote.

Each new NATO member should fully meet the pact's standards, and Poland — similarly to the remaining countries of the former Eastern bloc — absolutely does not meet them. "Poland cannot afford the costs of NATO membership at the moment. What will it pay with?," asks Yushenkov rhetorically. "There is only one answer to that: by allowing for U.S. or other NATO military bases on its territory. And that," he emphasized, "is inadmissible for Russia."

Sergey Yushenkov, one of the few pro-European and democratic Russian politicians, deems the concepts of conservative generals who want to react to NATO expansion by deploying nuclear warheads in the Kaliningrad Oblast as "contrary to Russian and European interests." This opinion was published two months ago by the well-informed daily SEGODNYA.

"Polish companies sustain huge losses by breaking off their agreements with Russia," said Yushenkov concluding the meeting. "The Polish Armed Forces are not receiving the spare parts they direly need."

"This idiotic confrontation between our two countries is costing both sides a lot. Your military commanders were very quick in understanding that. Unfortunately, our defense minister (Pavel Grachev) is neglecting the issue. Your former Defense Minister Piotr Kolodziejczyk told me that the agreement on military technological cooperation was all ready for signing," said Yushenkov. "It would have been enough for Grachev to go to Kaliningrad or Warsaw. The meeting in Kaliningrad was fully prepared, but it was never held in the end."

Political Issues

Yeltsin's Appointments to Kremlin Security Bodies

LD2907145795 Moscow ITAR-TASS World Service in Russian 1433 GMT 29 Jul 95

[FBIS Translated Text] Moscow, 29 Jul (ITAR-TASS) — Today, Yeltsin's press service released a report to the effect that Boris Yeltsin issued a number of edicts conferring:

— the military rank of lieutenant general on head of the Presidential Security Service [SBP] Major General Aleksandr Vasilyevich Korzhakov, and

— the military rank of lieutenant general on Yuriy Vasilyevich Krapivin, first deputy head of the Chief Guards Directorate [GUO].

The president has appointed:

— Lt. Gen. Yuriy Vasilyevich Krapivin head of the GUO after relieving him of his previous post,

— Maj. Gen. Valeriy Andreyevich Nikitin first deputy head of the GUO after relieving him of his previous post,

— Maj. Gen. Sergey Vasilyevich Strygin deputy head of the GUO and commandant of the Moscow Kremlin after relieving him of his previous post, and

— Colonel Anatoliy Aleksandrovich Protsenko deputy of the head of the GUO.

The edicts came into force the day they were signed.

Yeltsin Sends Draft Laws Back to Duma

LD2807210395 Moscow ITAR-TASS World Service in Russian 1448 GMT 28 Jul 95

[FBIS Translated Text] Moscow, 28 Jul (ITAR-TASS) — Russian President Boris Yeltsin rejected several federal laws today, in accordance with Section 3, Article 107 of the Russian Constitution.

A statement by the presidential press service received by ITAR-TASS says that the head of state rejected the law "On introducing amendments and additions into the Russian Federation law on the state guarantees and compensations for persons working in the Far North and regions with a similar status" and the law "On the principles of state regulation of the socioeconomic development of the northern regions of the Russian Federation."

The Russian president has sent letters to State Duma Chairman Ivan Rybkin explaining his reasons for rejecting the laws (they come into contradiction with some articles of the Russian Federation Constitution, federal laws, and legislation).

Yeltsin Issues Presidential Administration Decree

LD2807232995 Moscow ITAR-TASS World Service in Russian 2000 GMT 28 Jul 95

[FBIS Translated Text] Moscow, 28 July (ITAR-TASS) — Boris Yeltsin, president of the Russian Federation, issued a decree today: "On the Administration of the President of the Russian Federation," reported the presidential press service today. The report says that "state bodies, which are under the direct control of the president, may be part of the administration of the president of the Russian Federation along with the subdivisions and bodies that provide for the functioning of the president of the Russian Federation."

The president of the Russian Federation has decreed "to consider the Security Service of the president of the Russian Federation a state body within the administration of the president of the Russian Federation and a body of operational management within the system of federal state protection bodies."

It is also noted in the report that "the head of the presidential administration carries out the operational management and coordination of state bodies within the administration of the president of the Russian Federation if not otherwise prescribed by the president of the Russian Federation." "The head of the administration of the president of the Russian Federation does not carry out the operational management of the Security Service of the president of the Russian Federation," says the report of the press service of the president of the Russian Federation.

Yeltsin Issues Decree on Chief Guards Directorate

LD2907000095 Moscow ITAR-TASS World Service in Russian 2020 GMT 28 Jul 95

[FBIS Translated Text] 29 July [dateline as received] — Boris Yeltsin, president of the Russian Federation, has issued a decree: "On the Chief Guards Directorate of the Russian Federation," the presidential press service reported on Friday evening.

The report says that "within the Chief Guards Directorate of the Russian Federation, the post of the head of the Chief Guards Directorate of the Russian Federation — the commandant of the Moscow Kremlin — is abolished, and the posts of the head of the Chief Guards Directorate of the Russian Federation and of the deputy head of the Chief Guards Directorate of the Russian Federation — the commandant of the Moscow Kremlin — are introduced."

The decree of the president of the Russian Federation establishes that "the Chief Guards Directorate of the Russian Federation is a body under the operational management of the Security Service of the president of the Russian Federation; the head of the Chief Guards Directorate of the Russian Federation and the deputy head of the Chief Guards Directorate of the Russian Federation — the commandant of the Moscow Kremlin — are appointed to their posts and relieved of them by the president of the Russian Federation."

Yeltsin Aide Assesses Edicts on Reorganization

LD2907135695 Moscow INTERFAX in English 1313 GMT 29 Jul 95

[FBIS Transcribed Text] MOSCOW, July 29 (INTERFAX) — Boris Yeltsin's decrees to include the Presidential Security Service into his administration and changes in the Main Guard Department are consistent with the ongoing reorganization of presidential structures, the head of the staff of the presidential aide on national security, Vladimir Klimenko, told INTERFAX on Saturday [29 July].

Klimenko stressed the issue under question was "purely structural changes" in Yeltsin's administration, since the Presidential Security Service already had an official status. "So, one should not seek a special political underlying meaning in the decrees," he added.

Klimenko said the head of the service will still be subordinate directly to Boris Yeltsin.

Answering an INTERFAX question, Klimenko said that Baturin's staff had nothing to do with the documents, nor had information which of the presidential structures had prepared them.

Earlier on the same day, an INTERFAX reporter received the same answer in the staff of the presidential aide on legal issues, Mikhail Krasnov.

Physicians Not Allowing Yeltsin To Play Tennis

LD2807140295 Moscow INTERFAX in English 1255 GMT 28 Jul 95

[FBIS Transcribed Text] MOSCOW, July 28 (INTERFAX) — President Boris Yeltsin is ready to play tennis even now, but is not allowed to do so by his physicians, chairman of Russia's State physical fitness and tourism committee Shamil Tarpishev, also Yeltsin's tennis partner, told a press conference in Moscow Friday.

Tarpishev said he and the president's security chief Aleksandr Korzhakov visited Yeltsin at the Barvikha sanatorium outside Moscow two days ago and the Russian leader "looked" fine despite an hour-and-a-half-long meeting with Prime Minister Viktor Chernomyrdin earlier.

Yeltsin will certainly play tennis during his holidays in Sochi this fall, Tarpishev believes.

The Russian president, who was taken to the Central Clinical Hospital because of chest pains on July 11 has been at the Barvikha sanatorium since Monday.

Daily Analyzes Recent Yeltsin Illness

954F2888A Moscow LITERATURNAYA GAZETA in Russian 19 Jul 95 No 29, p 10

[Article by LITERATURNAYA GAZETA observer Oleg Moroz: "A State Disease. Yeltsin Fell Ill; However, a Coup Has Not Yet Happened. LITERATURNAYA GAZETA Observer Oleg Moroz on That Which Attracted Everyone's Attention Last Week"]

[FBIS Translated Text]

Disease or Mimicry?

The first thing that occurred to many people when they learned of Yeltsin's illness was—this is a diplomatic disease. Or more like a propitious moment. In the Constitutional Court, a case was beginning concerning the legality of the Chechen edicts and decrees. And worse still, in the Duma, proceedings for removing the president from his position were flaring up. To report oneself sick at such a time is the most attractive course. What demands can be made of a sick man?

Suspicions that the presidential ailment was no more than a ruse intensified after the Zhirinovskiyites, who suddenly turned out to be noble and sentimental, suspended the effect of their signatures on the impeachment petition until such time as Yeltsin recovered.

There were also other reasons for such suspicions. The IMA-PRESS agency, with a reference to "a source close to the president's administration," disseminated a report that the hospitalization of Boris Yeltsin could be associated with a fight for the vacated position of the Federal Security Service director. On 10 June, it seems, a presidential edict had already been prepared on the appointment to this post of Viktor Zorin, head of a FSB department; however, a number of influential bureaucrats opposed such an appointment. In order to have a rest from these petty squabbles, Yeltsin, it was said, decided to take a time out. Precisely on the 11th.

In principle, all these discussions are perhaps not without their logic. There is only one thing that makes them not seem true—the very character of the disease. The heart! After all, this is no deviated nasal septum at the moment that troops were brought into Chechnya for you. And it is no speaker's head cold at a time when demands for impeachment were being discussed in the Duma. A widely broadcast announcement that the president has had a heart attack is a COMPLETELY DISPROPORTIONATE PRICE for a break of a week or two. After all, we know that such an attack during negotiations with the Japanese prime minister was among the reasons costing Bush the presidency. Russia, of course, is not America, but a consciousness that the president should at least be capable of functioning is becoming firmly established among the masses of our people.

How Serious Is This?

The first sign that Yeltsin's illness was extremely serious was the very fact that the president's heart attack was reported openly, and, the main thing, fairly quickly. Otherwise, they could simply have hushed it up, as they have more than once in the past hushed up all manner of defects in Yeltsin's health, his periodic mysterious disappearances, his strange behavior at certain moments....

(Incidentally, by the next day, on Wednesday, obvious, singleminded efforts were being undertaken in order to damp down or entirely extinguish public interest in the president's illness. Information on this was pushed to last place, and on Thursday had almost entirely disappeared from the newscasts.)

The seriousness of the ailment is also testified to by various slips of the tongue in the first reports dealing with the illness, on which later there was an attempt to not focus attention, as if they had not happened at all. Just take the words about how "the president's illness will most likely not require surgical intervention." So the possibility of such intervention must have been discussed?

Or this detail. Between the first report on Yeltsin's hospitalization and the news that his attack of angina had been relieved, about three hours passed. Meanwhile, specialists assert that if an attack of angina lasts for more than 15-20 minutes, this already looks like necrosis of the cardiac muscle....

Did Yeltsin Have a Heart Attack?

I collared a cardiologist I know. He had not heard anything about Yeltsin's illness; he was on vacation in the countryside. When I paraphrased the report on this topic to him, he proposed right away: "Aahhh, most likely he has had an infarction. They simply do not want to talk about that...." However, when he heard that the doctors were planning on discharging the president in less than a week, my acquaintance fell into something of a brown study, and hesitated with his diagnosis: The discharge was too quick. "If," he said, "they are not lying, and if they really do discharge him on Monday, then it seems that it is just a pre-infarctal attack, after all.... Or, let us say, an infarction began, but it was all dealt with...." Although, as my interlocutor noted, abroad they discharge even heart attack patients on the seventh day nowadays.

"Discharge or no discharge," I said, "such a sick person probably does not go right off on official trips abroad, but continues his convalescence at home or somewhere out of town, under the care of a physician. But Yeltsin is already planning to travel on Wednesday to Murmansk, and afterward to Norway...." "Well, no—with an infarction, that would not be possible," my interlocutor concluded, categorically.

When on Friday it became clear that Yeltsin was not going to any Murmansk or any Norway, and that he would be staying in the hospital a whole second week after the beginning of the attack and then begin rehabilitation therapy in a residence outside town, suspicions of an infarction, of course, intensified. Needless to say, among those who are not inclined to place their full confidence in the cheery official reports.

Incidentally, my acquaintance promised to find out some details about the president's illness through his friends at the Central Clinic Hospital. However, when I called him that same evening, he began hemming and hawing in confusion, and finally admitted, "You know, I was categorically discouraged from taking an interest in these things...."

Life or... Power?

I have no doubt at all that Yeltsin's close relatives—Naina Iosifovna, their daughters—were and are sincerely anxious for his health, for his very life. This anxiety was probably especially great during the first hours of the illness. However, something else is also completely obvious: The president's official retinue, and, possibly, he himself as well, fear NOT SO MUCH FOR HIS LIFE AS FOR HIS POWER. With maniacal importunity, it is repeated from report to report that the president is capable of carrying out his constitutional responsibilities, that he is signing urgent documents, that he is in the mood to work, and so forth, and so on.

To crown it all, so that no one should have any doubts as to his working mood, Yeltsin signed an unexpected edict on regular elections to the Duma, which was supposed to appear on God's green earth no earlier than a month hence. Now it must be clear to everyone: The president, as always, is running everything and is in charge of everything.

All right, all right, does a person standing at the pinnacle of the power pyramid not have the right to get sick, go on sick leave, the same right that simple mortals have? Standing up for this right of his, a famous female activist, the deputy Yekaterina Lakhova, declared as much straight out: "I believe that the president is also a human being. He, too, gets sick."

Alas, it turns out that the president has no such right. The fear is too great that someone will inadvertently remember about Article 92 of the Constitution, paragraph 3, which states, "in all cases when the President... is not in a condition to fulfill his responsibilities, they are temporarily carried out by the Chairman of the Government...." This fear is an out-and-out panic of terror. And so they go on and on and on about some kind of urgent documents signed by Yeltsin, about his being discharged from the hospital any day now (although, I am sure, not a single serious doctor treating Yeltsin took on faith all this conversation about his quick discharge and foreign visits.)

Naturally, the appropriate passes are required on Chernomyrdin's part: He, it seems, is laying no claims, and anyway, what kind of absurd talk is this.... And the prime minister, needless to say, does make these passes. Personally and through a press secretary. And how could it be otherwise? Does anyone think that we do not know the procedure?

In general, for Chernomyrdin these are truly black days. I think that Boris Nikolayevich's illness is affecting the health of Viktor Stepanovich most of all. Evidently, it is only now that Yeltsin's retinue is starting to realize in full measure the nightmarish significance of the immutable fact that recently Chernomyrdin's stock has rocketed steadily upward, against the backdrop of the just-as-steady fall in the stock of Yeltsin himself.

Pouring oil on the flames are various foreign analysts and journalists, who, in harmonious chorus, sing the praises of the Russian prime minister. Famous American political scientist Richard Pipes: "Chernomyrdin is a very talented man. And he is in a very good position. So the transfer of power will be very peaceful." (May it be as you say, Professor!) The German newspaper NEUE RUHR-ZEITUNG: "In the person of Chernomyrdin, we have a prime minister who retains his loyalty to the president and at the same time with his well-considered actions is not allowing Moscow politics to take on an unpredictable character."

Is Chernomyrdin Healthy?

Not everything is clear, however, about the health of Chernomyrdin himself. As we know, a few days ago Viktor Stepanovich became furious with journalists who had related someone's assertion that two years ago he had had a heart attack and that he had had a cardiac valve put in. In regard to this, the prime minister expressed himself in the manner characteristic of him, emotionally and confusedly: "I did not hear that program yesterday.... I did not see it on television.... I was told about it.... Chernomyrdin had a serious heart attack.... They put a valve in his heart.... And there are two leaders, he says—both sick.... Listen, that is completely.... Can a person.... I have been working for three years now.... Can a person have a heart operation done in secret? Do those people have any kind of conscience at all? In general, it is very easy just to go and say something...."

If there really had been no trace of any operation, the prime minister's indignation would have been completely justified. At the same time, I find it entirely conceivable that given the mind set, the ideas of the highest state good, that reign there at the "top," a man could, after all, think it best to keep the truth to himself. Did you notice the phrase, "There are two leaders, he says—and both are sick [as published]?" Is this not at the center of it all? If the prime minister is aware of the intolerance for a situation where the two first officials of the state are seriously ill, could he force himself to acknowledge that he really did undergo heart surgery?

I have been told by physicians that the operation did take place. A few years ago. It was done at Chazov's Cardiology Center. It was not a cardiac valve replacement, but rather an aorto-coronary shunt: Bypassing stricken blood vessels, new ones, so-called shunts, are put in....

I realize that I can also be accused spreading unsubstantiated rumors. My justification is that I report what I have heard not from any pernicious motives, but solely so that in our homeland as well, as in all civilized countries, we should as quickly as possible stop keeping information on the health of our highest officials secret, and so that we should begin to publish full and detailed accounts not only about the operations on their clearly noble hearts, but even on the removal of the most trifling wart. After all, we had the chance to get information on such trifling surgical manipulations both on Reagan and on Clinton.... What we are talking about is by no means satisfaction of some kind of idle curiosity: The fate of ordinary citizens, their well-being, depends to an enormous degree on the health and work fitness of both the president and the prime minister, and also of other exalted officials, and therefore, the citizens have a right to know as much as possible about this.

What Next?

Immediately after the report of Yeltsin's illness, REUTERS disseminated a list of possible Yeltsin successors to the post of the president. Here is that list, in order of decreasing popularity: Viktor Chernomyrdin (57 years old), Aleksandr Lebed (45), Svyatoslav Fedorov (67), Mikhail Gorbachev (64), Vladimir Zhirinovskiy (49), Ivan Rybkin (49), Grigoriy Yavlinskiy (43), Yegor Gaydar (39), Gennadiy Zyuganov (51), Nikolay Ryzhkov (65), Vladimir Shumeyko (50), Aleksandr Rutskoy (47).

I do not know how that list was compiled, who came out in the role of the experts; however, the fact remains: Yeltsin's illness was taken seriously abroad.

(Incidentally, it is interesting to compare this list with one that was compiled on the basis of a poll of readers of LITERATURNAYA GAZETA—see the 28 June issue. The difference is rather striking. But then, LITERATURNAYA GAZETA, as is well known, has a specific, intellectual, readership.)

Most people, reflecting upon the situation that has taken shape, are agreed that his illness essentially deprives Yeltsin of his last chance to continue his presidency into a second term. Disagreement arises on another subject—whether the transfer of power will turn out to be peaceful, as Richard Pipes prognosticates, or whether Yeltsin's ailment will lead to new cataclysms in the country. "During the Cold War," writes the German newspaper MUNCHNER MERKUR, "the physical illness of Kremlin dictators at times led to certain phases of agony. However, in conditions of the extremely precarious Russian democracy, the inability to function of the top state authorities threatens upheavals of a much greater magnitude." The above-mentioned NEUE RUHR-ZEITUNG holds a similar opinion: "If Yeltsin has to leave his post, foul political weather will begin in Russia. Although the question as to his successor is in fact regulated in the Constitution, this does not do much. The democratic structures in Russia are weak. For the entire state apparat, the laws are nothing but window-dressing. No one can now guarantee that Zhirinovskiy or Rutskoy will not come to power...."

The majority of the tellers of Russia's fortune pull the trump kings and jacks from the same deck. Basically the same names, although in a different order, figure both in REUTERS list and in that of LITERATURNAYA GAZETA, and in numerous others like them. However, this game of solitaire could be upset. Until recently, no one perceived as an independent political figure the Russian minister of defense. But his fantastic unsinkableness and persistent striving to trample everyone in Russia underfoot suggest certain ideas to the armed structures.

His long-standing rivalry with the commander of the Border Guards, Andrey Nikolayev, is known to all. A rosy dream of the Defense Ministry is to subordinate these troops to themselves.... Recently there has also been talk to the effect that the newly appointed MVD [Ministry of Internal Affairs] chief, Anatoliy Kulikov, who up to now has been commander of the internal security troops, now could lose these troops, which would go, again, to the Ministry of Defense.... Almost simultaneously with the beginning of Yeltsin's illness, large-scale command and staff exercises began in the Far East, directed from Moscow, from the General Staff. A characteristic detail: At these exercises, to the Army command were subordinate not only the staffs of the Far East Military District, the Pacific Fleet, the Provisional High Council, the antiaircraft defense, and the construction and railway engineer troops, but also the border guards, the internal troops, even the Federal Security Service administration.... What else has not been grabbed up? The bank and shop security guards? The old ladies from VOKhR [republic internal security troops]?

It is possible that in the struggle to inherit power from Yeltsin, in the near future two polar centers will clearly emerge: one headed by Chernomyrdin, the other, by Grachev. And it is still not known who will be the victor in this high-stakes tug-of-war. On the side of Chernomyrdin seems to be the constitutional right of succession. It is not entirely clear, however, how to avail oneself of this marvelous right. The mechanism for the transfer of power is not stipulated in the Constitution. Who is to determine whether or not the president is in a condition to carry out his duties? When does the moment of unfitness itself arrive? For the time being, we are seeing how, at the least suspicion that the head of state is not completely capable of working, his entire royal host amicably and energetically rushes to prove the contrary, employing all the means at their disposal. As for objective information, coming from independent sources, there is, essentially, none.... As far as Grachev is concerned, on his side there is simple force. And the influence born of that force. And a passionate desire to increase both the one and the other. Although, it would seem, what next? "The weaker Yeltsin himself is, the greater his dependence on the bulldozer-like Ministry of Defense," writes the daily DIE ZEIT. "Despite the catastrophic mistakes in Chechnya, Grachev is now in even greater favor with Yeltsin than his Kremlin majordomo and head bodyguard Korzhakov."

As a matter of fact, it seems that a serious struggle between Chernomyrdin and Grachev has already begun. At the negotiations in Groznyy. The prime minister, it appears, is seriously attempting to achieve peace there. The defense minister, on the contrary, yearns to continue the bloody slaughter of which he was one of the ringleaders. The outcome of this first serious test of strength will have symbolic and predictive significance—it will show whose chances are greater for the ultimate victory.

In general, it seems to me that we have again found ourselves in a pretty pickle. The anxiety and stress that in and of themselves should increase with the approach of presidential reelections, now, with the unexpected intervention of Yeltsin's illness, will intensify inevitably and many times over. How many months—no, weeks—have we had that have been truly calm in the past five years?

Commentary on Chechen Peace Talks in Groznyy

Official Comments on Talks

LD2807140395 Moscow ITAR-TASS in English 1347 GMT 28 Jul 95

[By Igor Shevtsov]

[FBIS Transcribed Text] MOSCOW, July 28 (ITAR-TASS) — The Russian delegation on Friday left for Groznyy to resume peace talks with the Chechen side.

"I am sure we are on the right track. The most important thing now is to stop bloodshed," chief of the regional department of executive bodies in Chechnya Nikolay Semyonov said before departure.

On achieving a ceasefire and settling the military issues, elections should be held in Chechnya, after which it will be necessary to solve the problem of Chechnya's political status, Semyonov said.

Some people in the republic do not want the talks to achieve positive results. Part of field commanders are ready to wage war "till the end", he said.

Work is going in such conditions, and tomorrow will be no exception, he supposed.

Talks Said To Betray Interests

LD2807140995 Moscow INTERFAX in English 1255 GMT 28 Jul 95

[FBIS Transcribed Text] MOSCOW, July 28 (INTERFAX) — Shmidt Dzoblayev, secretary-general of the Assembly of National-Democratic and Patriotic Forces of Russia, believes that the Groznyy talks effectively betray the interests of the entire Northern Caucasus and Russia as well as the Chechen people and lead to the disintegration of the Russian Federation.

He said at a news conference in Moscow Friday that the Federation Council (the upper house of Russia's parliament) jointly with North Caucasian leaders should work for national reconciliation in Chechnya.

In Dzoblayev's view, the impunity of Shamil Basayev, who led the gunmen's raid on Budennovsk, the Stavropol territory, last June, amounts to state recognition of banditry and separatism.

He said that his organization wants Doka Zavgayev, a senior official in Yeltsin's headquarters, to be appointed presidential representative in Chechnya.

Gromov Opposes Discussing Status

LD2907102395 Moscow 2x2 Television in Russian 0700 GMT 29 Jul 95

[FBIS Translated Text] Boris Gromov, the Russian Foreign Ministry's chief military expert, has approved the holding of talks in Groznyy as such, but he is categorically opposed to any solution by force, as it cannot produce any positive results. In this connection he said specifically:

[Begin Gromov recording] I am altogether opposed to any discussion at the talks of the issue of Chechnya's status. That is to say, in my view there should not be any discussion of the status of Chechnya at the talks as such, since Chechnya has been, is, and must remain, a part of the Russian Federation. [end recording]

[Announcer] Boris Gromov considers that those to blame for the present situation in Chechnya should be punished. Those to blame are in Gromov's view both Dudayev and the group of officials who have by their actions damaged Russia's prestige by undistinguished combat actions.

As a supporter of the My Fatherland movement and [Ivan] Rybkin's center-left bloc, former Deputy Defense Minister Gromov intends to stand for election to the State Duma as an independent candidate.

[Begin Gromov recording] Independent of any parties — and I want to particularly emphasize this — independent of any parties. [end recording]

Imayev Says 'War is Ending'

LD3007081895 Moscow ITAR-TASS World Service in Russian 0740 GMT 30 Jul 95

[By ITAR-TASS correspondents Sharip Asuyev and Aleksandr Kharchenko]

[FBIS Translated Text] Groznyy, 30 Jul (ITAR-TASS) — "The war in Chechnya is ending," Usman Imayev, head of the Chechen delegation, has just stated, when he came out to the journalists outside the OSCE [Organization for Security and Cooperation in Europe] mission building in Groznyy, where the talks on achieving a peaceful settlement of the crisis in Chechnya are being held. He confirmed that an agreement on a set of military issues had been signed last night. "It is thereby legally sealed," Usman Imayev said, "that the war is ending and disarmament beginning." According to him the implementation of these agreements has already begun this morning.

The head of the Chechen delegation stated that an extensive news conference will be held shortly by all the participants in the talks. Then a break will be announced. After the break the sides will get down to discussing political and economic problems.

"There will probably be pressure on both of the delegations. After all there are powerful forces interested in continuing the war, but we are optimistic," Usman Imayev stressed. He considers it more correct to raise the issue of the status of the Chechen republic after the elections than at the same time that the elections are being held. Imayev emphasized that resolving the set of military issues "has now prepared the preliminary conditions for holding free democratic elections in Chechnya."

The talks have not yet resumed. The Russian delegation and the representatives of the Committee of National Accord and the Government of National rebirth of Chechnya have not yet driven up to the OSCE mission building.

Commander Criticizes Amnesty

LD3007131595 Moscow Russian Television Network in Russian 1000 GMT 30 Jul 95

[Video report by correspondent D. Pugacheva from Moscow; from the "Vesti" newscast]

[FBIS Translated Excerpt] How many of these tombstones, mass graves, and monuments to the soldiers killed in Chechnya are we yet to see? One of the first ones — to the fallen reconnaissance paratroopers — was unveiled today in Moscow on the grounds of the General Staff of the Airborne Assault Troops. They exercised their duty and obeyed the commands of their superiors. Now, the commands are different. Political maneuvers have changed. What is left are graves, widows, orphans, and mothers' tears. How can one explain to them the need for this war and the higher aim which justified the death of young boys who loved life so passionately? [Video shows wreath-laying ceremony, weeping women looking on]

[Begin Paratroops Commander Podkolzin recording] All of us paratroopers are hurt by the positions taken by some leaders who are inclined to give amnesty to bandit formations, to all the bandits and their supporters — surrender weapons and you are relieved of all responsibility. I believe we should not allow this. Everyone who raised a hand against a Russian soldier should answer for it. [end recording]

New recruits joined the 45th special purpose (?unit). They are joining the ranks for the sake of those who did not return, to make sure combat shots are never heard again. [passage omitted]

Analyst Says Agreement 'Feasible'

LD3107111195 Moscow ITAR-TASS in English 1050 GMT 31 Jul 95

[By Tamara Zamyatina]

[FBIS Transcribed Text] MOSCOW, July 31 (ITAR-TASS) — An agreement on a block of military issues does not yet mean peace in Chechnya, but it is the best possible option in the present situation," said Emil Payin, analytical expert of the Russian president. Payin noted that a full-scale agreement including the definition of the Chechen status would likely have been rejected by the majority of Dudayev's supporters, apart from being strongly criticised in Moscow. "The agreement on a military block of issues is quite feasible since a mechanism exists to monitor its implementation," Payin said.

"The agreement offers an opportunity to part of Dudayev's supporters to emerge from the war without losing their prestige and I do not doubt that they would not miss this chance," the expert said. "It is understandable that Dudayev is not interested in the agreement based on a compromise. He is a military leader and peace means an end to his political career. However, the criticism voiced by Dudayev after the agreement had been signed would not be of decisive importance," the expert said. In his opinion, the fact that the agreement was signed by Aslan Maskhadov, chief of staff of Dudayev's forces and which is the man who influences field commanders as much as Dudayev himself, enables the Russian government to begin the disarmament of the most active illegal armed formations, relying on neutrality or, possibly, the assistance of Chechen detachments loyal to Maskhadov.

"A hope has appeared for a step-by-step solution of the Chechen crisis, which will by no means be quick," the expert said in conclusion.

Failure To Capture Basayev Criticized

MM3107113995 Moscow KRASNAYA ZVEZDA in Russian 29 Jul 95 p 2

[Article by observer Aleksandr Golts under the "Topic of the Week" rubric: "Terrorism: Will Fear Rule the World?"]

[FBIS Translated Excerpt] [passage omitted] In order to counter terrorists, they must be stripped of the romantic aura of "fighters for an idea" and "avengers of the aggrieved." Here we cannot fail to recall how Russian liberals started arguing after Budennovsk: Of course, they said, Basayev and his bandits did not act too well, but they were forced into it. It is time we finally realized that there is no such thing at all as "good," "correct" terrorists. That no idea, whether Palestinian or Chechen independence, can justify the cold-blooded and base killing of totally innocent people. By trying to go into the reasons by which killers are guided, we essentially draw society's attention to the aims that they set themselves. Consequently, we encourage them to commit new crimes.

Finally, the chief point. I do not intend to go into details with regard to what the special services should do in such a situation: It probably includes the creation of combat subunits that are really capable of reacting to such crimes and the recruitment of agents from among extremists. This is a technique which only specialists can analyze. But the result of such activity is already a policy. Because no act of terrorism must go unpunished. The punishment for precisely this crime must be 100-percent inevitable. Particularly as terrorists openly declare their involvement, as a rule.

I sincerely wish for success in the attempts to find a political settlement in Chechnya. But I suspect that the talks will be at a standstill for as long as Shamil Basayev, who is at liberty, addresses us from the television screen far more frequently than certain top statesmen. Because it is impossible to take seriously a power which so obviously demonstrates its helplessness in catching a state criminal. The sense of humiliation would be bad enough. But the fact that Basayev is at liberty poses a real threat to the lives of Russians. Not just because this specific bandit might repeat an act of terrorism. His impunity encourages others, not necessarily Chechens. Russia, alas, is involved in plenty of conflicts....

So it is time to move from expressing indignation at specific acts of terrorism to multifaceted and, seemingly, extremely hard work to prevent them.

Dudayev's Representative in Moscow Detained

LD2907090595 Moscow ITAR-TASS World Service in Russian 0858 GMT 29 Jul 95

[By ITAR-TASS special correspondents Aleksandr Kharchenko and Sharip Asuyev]

[FBIS Translated Text] Groznyy, 29 July (ITAR-TASS) — Khamad Kurbanov, who calls himself Dzhokhar Dudayev's personal representative in Moscow, was detained in Chechnya on 28 July. ITAR-TASS correspondents learned from well-informed sources in Dudayev's entourage that Kurbanov was detained on the evening of 28 July at a Russian checkpoint near the village of Roshni-Chu and taken away to Groznyy.

It is not exactly known who detained Kurbanov and where he is now. A spokesman for the main directorate of the Russian Interior Ministry's operational headquarters in Chechnya told the ITAR-TASS correspondents that he had no information about this.

Kurbanov had previously been detained by Russian law-enforcement bodies in Moscow. On the first occasion, he was detained in his apartment by operatives of the Moscow Regional Directorate for Combating Organized Crime in the early hours of 15 June, and then released a few hours later. On that occasion, he said that he had been accused "of falsely covering the events in Budennovsk." On 17 June, Kurbanov was detained for a second time at the Chechen-press office in Moscow. The Russian Federal Security Service stated that Kurbanov had actually been fulfilling the role of "resident" for Dudayev's special services and, if he had been a foreigner, he would have been charged with espionage. Subsequently, however, Kurbanov was released.

Presidential Protocol Aides Appointed

MM2807135595 Moscow ROSSIYSKIYE VESTI in Russian 28 Jul 95 p 1

[Unattributed report: "Protocol Service Receives Reinforcements"]

[FBIS Translated Text] By directive of Boris Yeltsin, Dmitriy Yevgenyevich Tashchev and Yuriy Vasilyevich Burtsev have been appointed deputy chiefs of the Russian Presidential Protocol Administration.

Our Information

The Russian Presidential Protocol Administration was set up early this June. It has been made responsible for coordinating work and for directly organizing, in conjunction with the Foreign Ministry, protocol support for top- and high-level visits to our country and for top Russian officials' trips abroad.

Solkin Named Acting Director of Courier Service

MM2807140295 Moscow ROSSIYSKIYE VESTI in Russian 28 Jul 95 p 1

[Unattributed report: "Cadres: The Prefix Acting Does Not Mean Vacancy Is Filled"]

[FBIS Translated Text] By government directive Viktor Solkin has been made acting director of the Russian Federation State Courier Service. The service's former head Valeriy Andreyev, we were told by his secretariat, has applied to take a well-earned rest. Viktor Solkin was his first deputy in charge of organizational-legal issues in the work of the State Courier Service.

Appointment of FSB Chief Barsukov Praised

MM2807135695 Moscow KOMSOMOLSKAYA PRAVDA in Russian 28 Jul-2 Aug 95 p 2

[Report by Vladimir Zaynetdinov: "Barsukov Has New Home"]

[FBIS Translated Text] A lively debate continues over the appointment of 47-year-old Colonel General Barsukov as director of the Federal Security Service [FSB]. He agreed to take up the position with great reluctance, even though before the dismissal of previous FSB director Sergey Stepashin he had been the likeliest candidate for Lubyanka boss.

Barsukov created virtually from scratch (despite the lack of any operational training or experience of investigative work) a pretty strong special service at the Kremlin, managing to come up with almost unlimited potential for it — in terms both of funding and powers. Under a secret statute on the Main Protection Directorate [GUO] before the Presidential Security Service [SBP] was hived off, Barsukov's department protected not only Boris Yeltsin personally but the entire institution of the presidency.

The president was convinced of Mikhail Barsukov's loyalty in October 1993. And, it is rumored in the Kremlin, that was when the question of appointing the Kremlin commandant as Russia's main intelligence agent arose. But it was decided to opt for the democrat Stepashin, who did not want to recognize the leading role played by the GUO and the SBP among the special services.

Unlike Stepashin, Barsukov does not complain about the press. In all his time as head of the GUO Mikhail Ivanovich has never given a single official interview to a single newspaper — although the commandant keeps in contact with certain journalists who periodically publish leaks from the GUO (read, from Barsukov).

Barsukov has not altered his "publicity-shy" approach in his new post either. All newspapers and even Russian Public Television were refused interviews, even on the "hotline." Nonetheless the FSB director will have to get used to the fact that he is no longer the chief Kremlin guard but a big-time political figure who has to deal with the press.

Lebed Comments on Resignation, Political Plans

AU2807161895 Sofia TRUD in Bulgarian 24 Jul 95 p 9

[First of unknown number of installments of "exclusive" interview with General Aleksandr Lebed by Dimitrina Gergova at Lebed's apartment in Moscow; date not given: "General Lebed: 'We Will See Who Has Clipped Whose Wings'"]

[FBIS Translated Text] [Gergova] Aleksandr Ivanovich, our meeting is taking place at the time of a sharp change in your fortunes. How do you feel about it?

[Lebed] I feel comfortable.

[Gergova] You are renowned as a hero. Do you like this?

[Lebed] I am simply not interested, it is a matter of indifference to me. What is important for me now is to enter the new situation. I rely on people to inform me of a lot of things. Incidentally, the things that are written about me are not only good, there are bad things as well.

[Gergova] Perhaps you are thinking of the article published in the last issue of NOVOYE VREMYA, which asserts that no one forced you to enter politics, that you turned to politics after getting everything from your army officer's career, which you dropped at a skillfully chosen time convenient to yourself. Was your resignation in fact the only solution?

[Lebed] I built up the 14th Army from broken pieces. Let them say what they please, but it was a real army, tightly disciplined. I felt responsible for preserving peace in that region. That is how I was brought up — I gritted my teeth and served as a soldier, despite the wrangles with the defense minister and the other chiefs. I served until the moment came when it was impossible, or more precisely, when it became simply immoral to go on.

[Gergova] Surely they offered you other posts in the army? You are a professional soldier. Why did you not accept?

[Lebed] In fact I received no proposals that I considered worthy. They were all of an insulting nature. For example, once the defense minister asked me how I felt about becoming the defense minister of Tajikistan. To this day, I cannot understand why they wanted to send me to fight one half of the Tajiks at the request of the other half. It is for the Tajiks to sort things out between themselves. Why should I, a Russian general, chase bandits through the mountains? They have not done anything bad to me, nor have I to them.

Later, an announcement appeared in the press that I was to be appointed deputy commander of combat training in the Trans-Baykal Military District. There are no troops there, so how can there be any combat training? It was simply not a serious offer. The last offer was for me to become commander of the Border Troops. I declined, and had my own reasons for doing so.

[Gergova] A few days ago, Defense Minister Pavel Grachev said on television that you were doing something wrong in the Dniester Region, without specifying exactly what, and that the military prosecutor's office should take it up. What was he referring to?

[Lebed] I have no idea what the defense minister wanted to say. I commanded the army in the Dniester Region, confidently and firmly. For three years, it occupied itself seriously and systematically with combat training, taken to the nth degree. That is how it should be in any self-respecting army. If this is what I am accused of, let the minister cite the relevant article in the law. I am not guilty, I did nothing, and I did not sell myself.

[Gergova] This means that your resignation was a carefully considered personal decision. However, do you not think that, by signing it, Yeltsin sought to clip the Swan's [Lebed's] wings, just, as at another time, Brezhnev got rid of Solzhenitsyn by sending him abroad.

[Lebed] It is disputable whether he has clipped my wings or not. At the moment, I do not lay claim to anything. Have you heard any such thing? I am simply starting a new occupation. I will travel round the country, hear what people are thinking, and will adjust to my new role. Then we will see who has clipped whose wings.

[Gergova] Aleksandr Ivanovich, several parties have asked you to join them. Why did you choose for your political career the Congress of Russian Communities, a movement that is not so very popular and well-known?

[Lebed] I took my time to make a serious survey of the entire political spectrum — from Gaydar's radical democrats to Zhirinovskiy's "hawks." To be honest, I mix up the wings, I cannot remember who is left and who is right. However, I did not find a place for myself in this spectrum. In my view, there are very great prospects here. Of Russia's 148 million-strong-population, 124 million are Russians, and a further 25 million or so Russians have been left on the other side of the new borders, where 132 nations and nationalities live. The Russian nation is a state-forming nation, and until it occupies its niche in the general arrangement of the state, all the others will shiver with fever. In fact, the period before 1917 was not without its shortcomings, but then everything was in its right place. I will mention only one detail: In Moscow, there is a mosque that was built on the orders of Tsar Nicholas II in memory of the Muslims who died in the defense of Russia's interests. Then, peoples of different nationalities lived peaceably together and everyone had his place under the sun. There was no oppression of nationalities, as the politicians attempt to present. According to them, you see, the Russian empire was "a prison for nations." It was nothing of the kind. It is as if it was necessary for us to split up now so as to understand that it was better for us when we were together.

The Congress of Russian Communities is a movement with a future, and I believe that it makes sense to work for it, to put the state-forming nation back in its right place.

New Nationalities Minister Interviewed

MM3107114595 Moscow ROSSIYSKAYA GAZETA Weekend Edition in Russian 29 Jul 95 p 5

[Interview with Vyacheslav Mikhaylov, Russian minister for Nationalities Affairs, by Tatyana Shutova; place and date not given: "Four Lines for Peace" — first three paragraphs are introduction]

[FBIS Translated Text] Vyacheslav Mikhaylov has held his new post as minister in Moscow for just a few days. At the talks in Groznyy he heads the Russian government delegation. He went there while he was still deputy minister. He has come to Moscow to receive his portfolio, then it is back to Groznyy. Nationalities policy is his profession. Mikhaylov is a doctor of historical sciences, the author of three monographs, and lectures in political science at a Moscow higher educational establishment. He needs to feel he has an audience, he knows how to listen.

Vyachesalv Mikhaylov is a master of sport for chess. He likes to play the ancient oriental game "blind" and against several adversaries at once. He has a stock of now forgotten quaint oriental combinations. What he is like as a loser has not been established: So far Mikhaylov has lost to no one.

Our special correspondent's lightning interview with Vyacheslav Mikhaylov, Russian Federation minister for nationalities affairs and religious policy:

[Shutova] Vyacheslav Aleksandrovich, it is not yet a month since you became minister but it is being said that a new concept for nationalities policy is already prepared.

[Mikhaylov] For some reason it is believed that once you have a new minister there should immediately be a new concept. I do not share that view. State policy on the nationalities issue has already been defined in one document. In the Russian Constitution. And our ministry is developing the avenues of this policy with regard to the special features of Russia's regions. However painful it is to admit it, we lack the ability to implement what has already been enshrined in laws with a consideration for the special features of each region.

Take the North Caucasus with its historic destiny, customs, and morals, and I would say the special psychological nature of its peoples. It is clear that formulas suitable for the Urals or Siberia are not acceptable here. It is impossible to envisage everything in legislative acts. But the general provisions can be adapted to the features of the region. The main thing is that each person can achieve self-realization and each community find forms of self-determination which do not violate its neighbor's right to the same thing. Here the art of politics is essential.

[Shutova] The Ministry of Nationalities has already formed its own work style. What would you like to change?

[Mikhaylov] The ministry is at the establishment stage and it is still too early to speak of a style, of "handwriting." Precise, checked information is needed for work. That is our weak point. Making decisions while inside the ministry is impossible. you have to feel the life of each region, of each people, and check working methods in practice. We shall create our own "information field." The changes in the ministry will be in precisely that direction.

[Shutova] But you have an entire international community in your ministry, people from all parts of Russia are working for you so that the "field" is already there.

[Mikhaylov] That is both a strong side and a headache. Yes, we cannot form the ministry's staff from Muscovites alone. We urgently need an injection of cadres from the republics and oblast. But conditions must be created for people and they must be provided with housing. Alas, we cannot always manage that. And the ministry wages are not high. Employees are being laid off. Recently we lost 10 highly qualified specialists in that way. One more subject for thought and concern.

[Shutova] I want to remind you of some lines from your beloved Lermonotov: "The Caucasus, a far-off land, the abode of simple liberty. But you are full of quarrels and bled white by war...." That was about the Caucasus war, the longest in Russian history. Both then and now Chechnya was a "Gordian knot." Is it to be cut or unraveled?

[Mikhaylov] Unraveled. In other words, we must move from the strong-arm attempt to end the conflict toward a political settlement. That is the state line, the strategy of the talks in Groznyy, and that is the common position of Presidential Boris Yeltsin and Head of Government Viktor Chernomyrdin. There is no problem which could not be resolved by political means.

[Shutova] You said that the nucleus of a future agreement on Chechnya is just one four-line paragraph.

[Mikhaylov] Yes, just four little lines but the success of the talks in Groznyy depends on them. It is a case of the status of Chechnya. These four lines contain an entire program. Here it is: The features of the state and legal status of the Chechen Republic are defined by the Russian Federation Constitution and the Chechen Republic Constitution adopted by the free expression of will in accordance with the peoples' right to self-determination in its universally recognized sense in international law." This point of the political agreement is of fundamental importance. There is nowhere to retreat further. It combines two radical positions: the conservation of the state's integrity and the possibility of the people's self-determination.

[Shutova] You delegation in Groznyy has frequently been angry at the representatives of the press — they are exasperating, they distort things. Are we preventing you from working?

[Mikhaylov] On the contrary, we attentively analyze and discuss all items connected with the conflict in Chechnya. The press' role is so great that when signing the political agreement protocol there will be a separate paragraph about it.

I should like to note that in the sphere of such fragile and delicate interethnic relations every word spoken and written has profound influence on people's minds and hearts. Here it is important to remember a doctor's chief principle: Do not harm. After all, a word can inflict a painful wound but can, conversely, also cure. After all, it is said that the smallest cemetery is in the settlement where the best surgeon is practicing. And in general the doors of our ministry are always open to journalists.

Gromov To Run for Duma as Independent Candidate

MK2907124295 Moscow SEGODNYA in Russian 29 Jul 95 p 2

[Report by Gleb Cherkasov: "Boris Gromov Wants To Be Independent of All Parties"]

[FBIS Translated Text] General Boris Gromov said at a press conference yesterday that he does not want to be affiliated with any political party and intends to run for State Duma deputy in a single-seat constituency. The constituency where the ex-commander of the 40th Army is going to test his political talents will be specified in late August. Mr. Gromov, however, is ready to back the "My Fatherland" association, which is part of Ivan Rybkin's center-left bloc.

The former deputy defense minister said that he supports the peace negotiations in Groznyy, but he thinks that it is inappropriate to discuss the republic's status, since "Chechnya was, is, and must be" a part of the Russian Federation. Mr. Gromov suggests that federal troops be withdrawn from Chechnya and that only Interior Ministry troops be left there to maintain order in the republic.

Chernomyrdin's Election Chances Assessed

954F2908A Moscow OBSHCHAYA GAZETA in Russian 6-12 Jul 95 No 27, p 4

[Commentary by Oleg Grigoryev, under the "Personnel File" rubric: "The Prime Minister on the Approaches to the Kremlin"]

[FBIS Translated Text] That Viktor Chernomyrdin as Yeltsin's probable successor is an option to be seriously considered was obvious long before the Budennovsk events. After these events, the prime minister objectively became the top candidate. At least for the time being, until a stronger figure comes on the scene.

At the time when his career soared to the pinnacle of state power, Chernomyrdin was associated with moderation and centrism. It is these visible qualities that influenced the position of the Congress of People's Deputies, who supported his appointment during the period of another schism in relations with the president. And even later on, many deputies were inclined to see him as their potential ally, albeit compelled to mimicry. Two years later, moderation remains among the qualities that characterize Chernomyrdin; the meaning of the substance of this quality, however, has changed dramatically. It is a sum of at least two components.

First, Chernomyrdin has demonstrated an excellent ability to finely balance the forces in the government. What is particularly important, he has been able to maintain simultaneously both the internal balance among the main economic (lobbyist) groups and the external balance, in the sense that inside the government, different outside influences—coming both from other power structures and various pressure groups—were getting reconciled and smoothed out.

Second, it is obvious that Chernomyrdin has no idea what the government actually should do in the current circumstances other than react to outside irritants. Not only does he not have his own distinct program of action, he is only vaguely aware of the government's corporate interest as a bureaucratic structure. Numerous criticisms that the government does not do anything and does not lead anywhere are to a large extent fair. If centrism means energetic idleness, Chernomyrdin undoubtedly is a centrist.

But in reality the situation is more complex. By his very position and level of responsibility, Chernomyrdin is doomed to, if not doing something real, then at least doing something that would sustain his personal conviction that he in fact is doing something useful and needed.

In this respect, the ideology of radical reformers, among whom Chernomyrdin landed unexpectedly for himself in the role of their leader, has turned out to be his salvation. Initially he undoubtedly felt strong instinctive irritation regarding "all these Shokhins, Chubayses, Glazyevs, and Fedorovs." Psychological incompatibility has lingered for a long time, perhaps forever, occasionally breaking through in disparaging phrases about "lab directors." Besides, the instinctive dislike was mutual. As a result, Chernomyrdin never got along with Boris Fedorov, and they parted for good; with Chubays, he continues to bicker to this day, albeit clearly less bitterly and more out of habit.

If at the time, in the beginning of 1993, he could have found managers capable of offering a clear and simple program of action, the prime minister undoubtedly would have tried to dump the radical reformers. He cherished this hope for a long time, expecting such a program at different points in time from Soskovets or Lobov. But only the radical reformers were able to give him what he was looking for. They proposed to him to launch financial stabilization. To do it by the scenario by which this idea was presented was very simple. The result of the efforts is easy to see. Thus, psychological comfort is ensured to a full extent, especially keeping in mind that the jobs of the psychologically alien "young lab directors" were gradually being taken over by more acceptable people the likes of "old professor" Ye. Yasin.

The result was a strange, at first glance, symbiosis of a member of the old nomenklatura and a "Red director" with radical reformers. A union so strange that an absurd version was even invented to explain it: that the old top officials of the fuel and power generation complex had always been spontaneous market adherents, because they already traded with countries abroad. Any "Red director" with a balanced psyche, if he found himself in Chernomyrdin's place, most likely would have taken this road. Because only along this road would he encounter the simple and clear managerial tasks he was used to—such as "fulfill the plan," "put the facility on line," or "balance the budget."

The spontaneously emerged union with radical reformers sharply shrank Chernomyrdin's support base among the state bureaucracy. It so happens that one does not need a whole lot of people to conduct financial stabilization. Chernomyrdin managed with only a small circle of his confederates and closest aides. The rest of the bureaucracy found itself idle, and most importantly, lost the prospect for career growth. The concept of the 1995 budget, for instance, was drafted by an extremely small group of government bureaucrats close to Chernomyrdin and Chubays, while the rest were faced with the fait accompli and could change very little. Actually, so far Chernomyrdin is not facing this problem directly, since most of the discontent focused on Chubays.

Such is the general characteristic of Chernomyrdin's activities on the eve of creating his "center-right" bloc. The bloc's creation moved Chernomyrdin into the category of public politician. And his activities acquired an even greater public status after the tragic events in Budennovsk. And immediately, the law of Russian politics kicked in, which stipulates that public success (or at least its appearance) is accompanied by apparat losses.

The Duma finally did what neither the Supreme Soviet nor the Duma itself had been able to accomplish in the past: It voted no confidence in the government. And although the situation resolved itself relatively peacefully, the Chernomyrdin government lost even more of its legitimacy than before this event. It became obvious that it is propped up only by the president's constitutional right to disband the Duma. The negotiations in Chechnya, for the success of which he assumed full personal responsibility, have become another headache for Chernomyrdin. Derailment of negotiations or too great concessions to the other side may have an equally negative effect on the prime minister's political future.

There are also smaller (so far) problems. It is not quite clear what to do with Chubays, who found himself in isolation. It is unclear how relations will develop with new enforcement ministers, who will remember that their predecessors had been sacked in order to save Chernomyrdin. It is unclear whether it will be possible to preserve the balance of power in the Cabinet, which took so long to build, in the conditions of transition to a public policy (there have already been some shifts). Until now, the only Russian politician who has managed to combine public and apparat success has been Yeltsin, but the time was quite different then. And it is unlikely that Chernomyrdin can succeed outside the apparat.

Who can potentially support Chernomyrdin on the road to presidency? One may expect a positive attitude toward this idea on the part of centrists (first and foremost the reformers who have changed their colors) and reformers. However, the likelihood of such support is quite tenuous.

Despite their close alliance, Chernomyrdin remains a stranger to the reformers. And even more so to the reformers' electoral base. Since Gaydar's party broke with Yeltsin, the bet on the Chernomyrdin-Chubays duo seems to be the most natural choice for it. But if Gaydar attempts to impose this decision on his party, he may encounter serious resistance. However, if Chernomyrdin in 1995 manages to achieve the declared economic goals, the situation may change. The position of those moderates who in the past were associated with Gaydar but have now moved away from him also will have a certain effect on this. At the level of prominent politicians, among them are Sergey Filatov and a number of other Gaydarovites taking cover in the presidential staff structure, for whom Chernomyrdin personifies course continuity and who are unlikely to find a common language with nationalists in the event of their ascension to power.

It is necessary to repeat once again that the support of radical reformers and their leaders is possible but not assured. They themselves are in a difficult situation now, and they need to be convinced that a bet on Chernomyrdin will not worsen their situation but, on the contrary, may give them a chance. It should be understood, however, that in the event Gaydar's party throws its support behind Chernomyrdin, it could lose a very considerable part of its electorate to Yavlinskiy, who will be only happy with the prospect of Chernomyrdin replacing Gaydar and Yeltsin as the leader of the radical democrats.

With respect to the centrists, the situation is less clear-cut. Psychologically, they are inclined to perceive Chernomyrdin as their own, but his two years as prime minister planted serious suspicions in their minds. It will be even more difficult to convince them of the acceptability of Chernomyrdin if he continues to act in tandem with Chubays. The centrists have a rather narrow electoral base, and at the same time possess a relative surplus of potential leaders, who will resist in every way possible the entry of another rival into the crowded circle under the spotlight.

Chernomyrdin's position has made him a symbol of reform in the eyes of the West. Let me point out that the IMF loan is the first relatively big money infusion received by Russia that is not associated with Gorbachev. The West thereby clearly indicated that it is placing its bet on Chernomyrdin. This factor has predetermined the attitude toward Chernomyrdin on the part of nationalists and those figures in the president's entourage who, following the public mood, have begun to move toward nationalism and are moving the president in that direction. Their reckoning is obvious: Either this shift will permit them to ensure Yeltsin's victory in the elections, or, in the event of an unsuccessful outcome, will allow them to create a situation of a soft transition, where the radical reformers, with Chernomyrdin among them, will now be the main enemies of the new authority. This group has to begin right now to form an image of the enemy and to distance itself from him. The nomination of Chernomyrdin as a presidential candidate will provide them with a good opportunity to do so. As to the left, for them support of Chernomyrdin is also unacceptable.

One way or the other, Chernomyrdin has jumped into the torrent of Russian politics. The future will tell whether he did this out of desperation or has calculated through all the possible scenarios.

Candidates To Head 'Yabloko' List Named

MK2907105495 Moscow KOMMERSANT-DAILY in Russian 28 Jul 95 p 3

[Unattributed report under the "Journal" rubric: "'Yabloko' To Lose the Letter 'B'"]

[FBIS Translated Text] The federal list of the "Yabloko" bloc will be headed by Grigoriy Yavlinskiy, Vladimir Lukin, and Tatyana Yarygina, deputy chairman of the Duma's Labor and Social Support Committee. This was announced by Vyacheslav Igrunov, a "Yabloko" functionary, yesterday. In his words, the bloc plans to field a total of 270 candidates on its federal list and about 80 candidates in single-seat districts, of which 40 candidacies have already been confirmed.

Staffers Accuse Republics of 'Abuse of Authority'

LD2907165495 Moscow INTERFAX in English 1508 GMT 29 Jul 95

[FBIS Translated Text] MOSCOW, JULY 29 (INTERFAX) — President Yeltsin's staff workers accuse "some parts of the Russian Federation of the abuse of authority in the conclusion of agreements of international importance," a knowledgeable source at the Russian Foreign Ministry told INTERFAX.

In the past two months the Foreign Ministry was repeatedly instructed to find out how the republics of Bashkortostan, Tartarstan and Kabardino-Balkariya had happened to sign cooperation agreements with the republic of Abkhazia which is part of Georgia, the source said.

Experts under President Yeltsin assume that the three Russian republics had gone beyond the limits of their constitutional authority. Under Article 72 of the Russian Constitution, "the Russian Federation and its constituent parts take joint action to meet international agreements and coordinate moves in the fields of foreign and foreign trade relations with the constituent parts of the Russian Federation," so that the three republics should have consulted the Russian Foreign Ministry before signing their agreements with Abkhazia.

A source on President Yeltsin's staff sees the conclusion of those agreements as "a serious mistake." But Moscow's delayed reaction to it makes Tbilisi accuse Moscow of "a dual approach" to its peacekeeping mission in the zone of the Georgian-Abkhazian conflict.

Civil Defense Training Program Approved

MK2907074495 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 28 Jul 95 p 1

[Unattributed report: "Authorities Begin To Prepare Us for the Worst"]

[FBIS Translated Text] Procedures for training the population to protect against natural and man-made (accidents at enterprises, oil pipelines, rail disasters, and so on) emergency situations have been approved by a Russian Government decree.

From now on, virtually the entire population of Russia will be trained in methods to protect against catastrophes. Under the new rules, all citizens are supposed to learn how to provide first aid to victims, as well as how to use crew-served and individual means of protection.

The Ministry of Emergency Situations, together with the Education Ministry and the State Committee on Higher Education, is supposed to add to the curricula basic programs for training students in protective measures in emergency situations.

Not just students are supposed to be trained in civil defense; now, command and staff exercises will be staged once every two years for heads of federal executive bodies and for heads of federation components. Prime Minister Viktor Chernomyrdin, chief of Russian Federation Civil Defense, will be in charge of them. Furthermore, heads of executive bodies are supposed to attend a training course at the Academy of Civil Protection under the Ministry of Emergency Situations.

The Ministry of Emergency Situations will develop regulations on compensation for damages to citizens' health sustained in civil defense training. Incidentally, Russians will be entitled to keep their average pay at work while they participate in the exercises.

Exercises for students will be more frequent than for others. They will have exercises every year.

Military & Nuclear Issues

Paratroopers To Be Withdrawn From Chechnya

LD3007141495 Moscow INTERFAX in English 1215 GMT 30 Jul 95

[FBIS Transcribed Text] MOSCOW, July 30 (INTERFAX) — The units of Russian paratroopers will be withdrawn from Chechnya after the talks in Groznyy are over, Russian Paratrooper Commander, Colonel-General Yevgeniy Podkolzin said in Moscow today at the opening of a monument to Russian paratroopers killed in Chechnya.

He said that at the beginning of the Chechen campaign paratroopers had accounted for about 20% of federal forces in Chechnya. Podkolzin said the number of paratroopers in Chechnya had since then considerably decreased.

He said paratroopers had been "practically non-stop" participating in military actions on the ex-USSR territory since 1988 when the Armenian-Azerbaijani conflict began and up to now. Podkolzin said that during this period paratroopers had lost more people than during nine years of the war in Afghanistan.

When asked how the participation in the Chechen operation influenced the Russian army's military capacity, Podkolzin told an INTERFAX correspondent that his troops always had a high military capacity which "has been repeatedly stated by the country's leaders."

Admiral Gromov Interviewed on Navy Day

LD3007215295 Moscow Russian Television Network in Russian 0635 GMT 30 Jul 95

[Interview with Admiral Feliks Nikolayevich Gromov, commander in chief of Russian Navy, by unidentified correspondent on 30 July; place not given; from the "Aty Baty" program — recorded]

[FBIS Translated Text] [Correspondent] Feliks Nikolayevich, tell us whether you still feel the pull of the sea?

[Gromov] Yes, I do. Let me tell you in what respect it is easier at sea. It is easier in the sense that there is a clear and precise understanding of one's task. One has a ship, a task, mechanisms, and the personnel to service them. All of this needs to be organized so that day-to-day work proceeds in a calm way with the stipulated improvements, training and practice alerts and so on. This is a most favorable time when one is improving things, noting certain shortcomings, and analyzing and eliminating faults. One cannot conceive of anything better for a sailor.

[Correspondent] Do you miss the sea then?

[Gromov] Yes, I certainly do.

[Correspondent] Do you dream of it?

[Gromov, laughing] Yes, I dream of it from every point of view, including when problems occur at sea. So, yes, I certainly do.

[Correspondent] Tell us, Feliks Nikolayevich, can the Russian navy be considered combat ready?

[Gromov] Well, this is of course a fairly serious question, and I should of course say that all the norms of combat readiness prescribed for us by our orders are being fulfilled by the navy. I should say that, although it is peacetime now, we are nevertheless totally fulfilling our strategic deterrence tasks. That is to say, our [submarine] cruisers that are equipped with ballistic missiles are performing their alert-duty patrols at sea and also performing their duty back at base. That is to say, this task, which is our main peacetime task, is being carried out in full.

The general purpose forces — namely, the navy's surface ships, nultirole submarines and aircraft — are performing those duties that are needed in peacetime, which consist of providing backup for the missile-carrying submarine cruisers on alert duty on the one hand, and on the other conducting general observations at sea. In view of the fact that the level of financing is not high enough, there are of course difficulties in maintaining the complement of ships at the necessary level of technical readiness. I would even go so far as to say that the maintenance of this technical readiness is to a great extent being achieved through the individual enthusiasm of our personnel and through the fondness of the officers and warrant officers for their ships. It is more through these elements and factors than through the elements that should apply, namely, financial resources [sentence as heard].

[Correspondent] Could you tell us, Feliks Nikolayevich, what we obtain from joint exercises with foreign navies?

[Gromov] Well, we are now, of course, gradually moving from the state of confrontation which existed before to a more trusting, if you like, situation with regard to NATO's various navies. We started this roughly in 1992, although we met at sea before that too. I should say that tension between the blocs was very great in the 1970's and there were frequent collisions between ships. That was when we concluded the first agreement — it came through the channels of the navy, in fact — on averting collisions and various incidents at sea. It should be said that we first concluded an agreement of this sort with the United States. It played its role. At least, the number of various unsanctioned collisions fell.

We then concluded similar agreements with 20 other countries and we now hold consultations every year on the implementation of the agreements, and it should be noted that there were practically none of these irregular actions at sea in the past few years. When these friendlier, more trusting relations between the navies began in 1990, we began individual joint exercises featuring ships from our navy and the navies of the United States and France and England. Recently — actually it was a few days ago — we held an exercise with Italy. And it should be said that it was very good both for them and for us.

First, when people meet — commanders of ships, commanders of formations — they see that before them is a normal person, a sensible person, who thinks normally, speaks normally, understands what it is all about, in other words who speak in a single professional language. This is already an element of trust. This already means that there cannot be any accidental opening of fire. People try to explain any points which could arise in normal language. Communications are being developed between ships. We can now enter into communication with any ship from any state. I mean we have the channels, we have the potential. You only need to find a translator or you can speak in one language — English.

To continue, on the other hand we are looking at the potential of the ship's personnel of foreign navies, at their capabilities, and we are looking at their training. I should say that as regards the training of our officers and personnel we are no inferior.

[Correspondent] Boris Nikolayevich, the Russian Navy was always strong on tradition. Are we maintaining those Russian and Soviet traditions in some way?

[Gromov] I think that traditions are all that is left us. Or rather we are living thanks to the fact that the navy still has traditions. The main traditions of the navy, of course, were always, first, love for your ship, and second, sworn devotion to the cause you serve. Well, we all serve on the ships. We serve Russia and thus we have that unrequited devotion to the state flag which we serve.

In the Russian, in the Soviet navy there were practically no instances of our sailors bringing disgrace on the flag and the [sailor's] vest. On the contrary, take the examples — examples from the war — of sailors fighting on land. During the Great Patriotic War they formed marine rifle brigades and fought at Leningrad, Moscow, Stalingrad, Kerch, Sevastopol, at Odessa. They were models of bravery, courage, and endurance. These qualities are inherent now too.

As in any navy, we have a lot of problems, but the basic problem is maintaining the navy's technical preparedness. Why? Because the navy is a structure that [changes thought], a ship is constantly [changes thought], you cannot haul it ashore. You cannot put it in a hangar, right? And you cannot remove its crew. A ship is permanently on water. On a ship you have a full crew during the day and part of the crew at night, but the ship is constantly being attended to. The vital supply systems, the maintenance systems are always at work. So it is an unusual situation, and as a result work has to be done on that situation daily. Our captains and officers and crews are constantly busy at their duties aboard ship.

So the priority is maintaining technical preparedness, carrying out ship repairs in good time, funding current work in good time. That is perhaps what is most important. The crews always want to have reliable ships, ships that are in full fighting order and are constantly ready to carry out any task. People always like to see a ship on the move and ready to carry out missions and they are delighted to carry out any task assigned to them when the ship is in good order. The problem is when the technical aspect lets us down. So I would name that as the basic problem.

[Correspondent] Our program actually falls on Navy Day. You have an opportunity to congratulate all of the navy's sailors and officers. What would you like to wish them?

[Gromov] Well, I think that I should congratulate not only the sailors. The navy is, at the end of the day, the child of the whole nation, the child of our state. Therefore I should congratulate sailors and everyone who is serving in the navy and all the veterans who gave their lives to the navy and every Russian on this famous day, Navy Day. I wish every Russian all health and happiness and wish the personnel of the navy patience, endurance, and resoluteness in the execution of every task facing our navy.

Chief of Staff Comments on Navy's Situation

LD2807171695 Moscow INTERFAX in English 1555 GMT 28 Jul 95

[FBIS Transcribed Text] MOSCOW, July 28 (INTERFAX) — Russia's navy is being ungroundedly [word as received] axed rather than reformed, Navy Chief of Staff Valentin Selivanov told a solemn meeting on the occasion of the 300th anniversary of Russia's fleet in Moscow on Friday.

The situation is further aggravated by the fact that Russia's borders are being "pushed eastwards," Selivanov said. "This has inflicted great damage on the naval infrastructure," he added.

Selivanov pointed out the poor social guarantees of navy servicemen. Many of them, he said, had last received their salaries as far back as three months ago. "This negatively affects the navy's combat efficiency," he remarked.

"Russia simply needs such a fleet that could deter other powers' possible aggressive intentions by its composition, structure and combat potential," Selivanov concluded.

Program Lists Numbers of Navy's Ships, Aircraft

LD3007142095

[FBIS Editorial Report] Moscow Russian Television Network in Russian at 0635 GMT on 30 July on the "Aty Baty" program, during a video documentary showing general footage on the Russian Navy, carries the following superimposed caption detailing the numbers of ships and aircraft possessed by the Russian Navy:

"The Russian Navy is equipped with: 56 missile-carrying strategic submarines; 488 surface ships (including 72 ocean-going ships); 166 multi-role submarines (including 89 nuclear submarines); 310 small naval combatant or auxiliary craft of various types; 950 auxiliary vessels; and 1,580 aircraft and 566 helicopters."

Moscow To Toughen Stance on Weapons Nonproliferation

LD2807190595 Moscow INTERFAX in English 1802 GMT 28 Jul 95

[FBIS Transcribed Text] MOSCOW, July 28 (INTERFAX) — The Russian government's commission for export control, headed by First Deputy Prime Minister Oleg Soskovets, discussed toughening export control for ensuring non-proliferation of chemical and biological weapons at its meeting on Friday.

The commission instructed the government's legal department to prepare a draft resolution on creating another commission to prevent leakage of know-how and materials which can be used by developing countries to produce their own mass-destruction weapons.

A spokesman for the Foreign Intelligence Service said some countries in the Middle East, Central Asia, south of Africa and Brazil show interest in Russia's nuclear, chemical, biological and missile technologies. These states use efficient means for collecting information on the production of mass-destruction weapons. These countries state institutions often resort to the services of small companies. Officially trading in consumer goods or food in Russia, such companies have collected a "colossal database on Russian experts" and offer them jobs abroad.

The Science Ministry and the Russian Academy of Sciences were asked to submit proposals on how to prevent know-how from getting into the wrong hands.

Soskovets told the meeting that the issue of insufficient funding for destruction of chemical and biological weapons must be included in the president's 1996 budget proposals.

Federal Assembly

Federation Council Investigates National Security

MM3107092395 Moscow KRASNAYA ZVEZDA in Russian 28 Jul 95 p 3

[Report by Vadim Markushin: "Should One Wait To Be Wise After the Event? Federation Council Hearings on Concept of Russian National Security"]

[FBIS Translated Text] There has been another very lengthy discussion of Russia's national security concept, which occasionally proved to be chaotic and paid no heed to prescribed standing orders. This time it took place at the Federation Council, which in itself is of no small importance. Since it gives reason to hope that the wide range of social views on this matter is ultimately becoming more monolithic and useful when it comes to drawing subsequent practical conclusions.

The debate was sparked off by Federation Council Deputy Chairman Anatoliy Dolgolaptev and Petr Shirshov, chairman of the Committee for Security Questions and Defense. Their emphatically worried view of the situation that has taken shape in and around the country was conveyed to the rest of the audience, who readily made the gravity of the losses of the last few years the theme of the parliamentary hearings. A well-known idea was reaffirmed, namely that the difficult transition from criticizing the current situation, which has been elevated to a fine art, to "constructive comment" is not yet complete. Although, as one speaker said, it is high time to "return to the plan" — and that is accordingly what any concept represents — and address priorities and the mechanism for the implementation of those things which are to be legislatively "allotted" to the relevant executive structures.

National security is as you know a very broad concept. Evidently that is why the participants in the hearings thought it necessary to mainly focus on the external and military aspects of that security. Colonel General Viktor Samsonov, chief of staff for coordinating CIS military cooperation, believes that the top-priority problems here are the revival of the unified defense area within the Commonwealth framework with Russia's playing an organizing role, the joint formulation of an interstate military doctrine, the shaping of a concept for collective peacekeeping activity, and the identification of common threats and strategic allies. Incidentally, all manner of arguments can be cited in this connection. In the new conditions it is extremely disadvantageous to carry out military organizational development in an isolated manner since a considerable proportion of the former USSR's research and manufacturing base ended up in the near abroad. The solution is integration with the defense—industry personnel of the former soviet republics. And that is not the only thing. A unified communications network, standard arms, the absence of a language barrier, a single military school, and ingrained human ties are all conducive to collective security.

These problems include the problem of army reform. In particular, in the opinion of Sergey Rogov, director of the United States and Canada Institute, within the framework of military reform it is necessary to clearly formulate the thrust of the structural transformations ("what kind of troops do we need and for what purpose?"), the maintenance of combat readiness ("how to train servicemen and in what disciplines"), new principles of staffing, and nuclear policy ("partnership or rivalry?").

A number of speeches voiced (although not very clearly for some reason) the idea of the advisability of "relieving ourselves of the burden of being a great power" and of an "organized retreat" to the regional threat-response zone, etc. On the other hand the emphasis in other speeches was somewhat different. Thus, Colonel Viktor Petrov, a representative of the Federal Border Service, painted a fairly convincing picture of the growing difficulties around all Russia's borders due to the decline in Moscow's great-power prestige. While the dynamic and densely-packed speech by Colonel Valeriy Chaban, a representative of the Russian Federation Armed Forces General Staff Center for Strategic Studies, stressed that it is extremely thoughtless to shape a national security concept solely on the basis of the potential threat of low-intensity conflicts. In his view, Russian geography is such that the country's defense requires a comprehensive, integral approach to its organization. Being wise after the event is tantamount to displaying historical lack of system.

Federation Council Discusses Financial Draft Laws

LD2807101895 Moscow ITAR-TASS in English 1005 GMT 28 Jul 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW, July 28 (ITAR-TASS) — The Federation Council discussed today a package of so-called socio-financial draft laws, submitted to it by the State Duma before the parliamentary recess. Members of the Federation Council approved amendments to the law "On income tax for natural persons," which deals with time limits for the transfer of the tax to the budget. When a new procedure is introduced, financial sanctions will not be imposed on enterprises and institutions for the irregular transfer of the tax to the budget because of delays with the payment of wages to their workers.

The Federation Council rejected the law "On the procedure for the payment of insurance fees to state extrabudgetary funds," which actually lifted fines for the delays in the payment of insurance fees to extrabudgetary funds. Deputies to the Federation Council supported the Government, which believes that the law, adopted by the Duma, will "lead to a considerable reduction of payments to the Pension Fund of the Russian Federation and, as a result of it, to delays in the payment of pensions."

The upper chamber of parliament posponed until autumn the discussion of draft laws on amendments to the laws on insurance and on the tax on operations with securities, as well as of the law "On the restructuring of the debt on state credits, granted by the Russian Federation."

Federation Council Deems Tax Law Amendments Flawed

MM3107091195 Moscow ROSSIYSKAYA GAZETA in Russian 28 Jul 95 p 9

[Article by Anna Kozyreva under the "Expert Appraisal" rubric: "Senators Did Not Refrain From Elaborations" — from the "Departmental Supplement" section]

[FBIS Translated Text] The Federal Law "On Amendments to the Russian Federation Law 'On the Fundamentals of the Tax System in the Russian Federation,'" adopted by the State Duma 12 July, will most likely not be supported by the Federation Council.

The law has been analyzed thoroughly in the Federation Council Committee on the Budget and Financial, Currency, and Credit Regulation, eliciting from senators a number of serious comments both as a whole and with regard to individual articles.

The main complaints are these:

The law is designed to settle questions connected with delimiting tax- and impost-setting powers among the Russian Federation, the components of the Federation, and organs of local self-government. But the law's drafters have failed to achieve precisely this.

There is three-tier regulation of questions of taxation and imposts in Russia. The law proposed by the Duma contains no legal mechanisms for interaction among federal, regional, and local taxes, nor provisions defining the principles of the functioning of a unified tax system according to rules that are the same for all players. In other words, it is precisely the general principles of taxation and imposts that have not been defined.

In addition, local organs of power have ended up dependent on regional ones, since they must transfer all taxes and imposts to the region. And yet Article 132 of the Constitution directly states that organs of local self-government "set local taxes and imposts...."

Thus, it turns out that the law simply runs counter to the Constitution.

In general, according to Federation Council experts, the proposed law is of a more centralized nature than the previous one. It turns out that, in proclaiming the regions' economic independence, the center is actually depriving its own components of this very independence.

The wording of a number of the law's articles does not rule out the possibility of introducing dual taxation of one and the same component.

Federation Council experts propose introducing into the law a provision to the effect that regional taxes can constitute sources for forming both regional and local budgets. The established federal taxes can constitute a source for forming budgets at both the federal level and regional levels in accordance with the law on the federal budget.

The proposed law does not contain these principles. Thus, regional budgets end up mutually impenetrable, as it were, and budget funds cannot "flow" calmly from one region to another.

Experts also believe that it is inadmissible to grant tax privileges to individual regions to the detriment of other regions' interests. A number of norms contradict each other.

The law does not define concepts such as "the process of taxation and imposts," "the system of taxes and imposts," and "tax offenses" or lay down just how taxpayer's status is acquired.

There were also comments of a more particular nature. For example, the Russian Constitution imposes on citizens the obligation to pay taxes and imposts. Thus, it is necessary to put in first place in the law a point on the taxpayer's independent payment of tax and only then to say that the levying of tax is one way to ensure its payment.

The Duma's version unjustifiably increases the number of people obliged to be registered with tax organs.

The article dealing with special taxation of commodities imported from abroad is also in need of elaboration. The article concerning tax breaks is not clearly worded. In particular, it must be defined just what is meant by individual tax breaks. The condition whereby a special tax regime operates has not been formulated in the law — which could lead to the result that the list of taxpayers demanding such a tax regime will, in time, become infinite.

The Federation Council Committee on the Budget proposes that provision be made for the possibility of paying taxes in the form of payment in kind, mindful of the fact that such a practice already exists.

In the committee's opinion, a special article should be devoted to the concept of "tax secrecy." The whole procedure for instituting proceedings against a taxpayer for tax offenses should also be described. At the same time, however, it is necessary to determine whether an offense has been committed deliberately or through carelessness and to indicate who must be held responsible and in what way. Most importantly, it is necessary to establish a regime whereby it is impossible to get away with not paying taxes.

In short, in the Federation Council's view the law has serious shortcomings, and the committee proposes that it be rejected as a whole. Meanwhile, the State Duma deputies have voiced readiness to go to the conciliation commission to finalize the law in accordance with the comments and wishes expressed.

Federation Council Rejects Budget Law Amendments

LD2807220095 Moscow ITAR-TASS World Service in Russian 1032 GMT 28 Jul 95

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[FBIS Translated Text] Moscow, 28 Jul (ITAR-TASS) — The Federation Council today rejected the law on amendments to the 1995 Federal Budget Law which was adopted by the State Duma on 21 July because it refused to agree with some of its provisions. The amendments include the quarterly distribution of the budget's revenue and expenditure but the Federation Council deputies considered that the expenditure particularly is being distributed unevenly. This especially applies to state investments and special federal programs, including the social program. A large part of the annual funding for such programs comes in the fourth quarter which could lead to arrears being carried over into next year.

The controversy which has emerged between the two chambers should be resolved by a conciliation commission made up of representatives from the Federation Council and the State Duma.

Federation Council Passage of Election Law Viewed

MK2907062695 Moscow KOMMERSANT-DAILY in Russian 28 Jul 95 pp 1, 3

[Commentary by Veronika Kutsyllo: "Parliamentary Row. Federation Council Does Not Break Up. But It Cracks Up"]

[FBIS Translated Text] "Have you seen the guy they show on television...? The one with a cube-like head? My head is gonna be like that soon!" These words from Vladimir Shumeyko best size up the atmosphere of yesterday's Federation Council session. The round, egg-shaped, and tending toward cube-shaped heads of the Federation Council members were unsuccessfully struggling with the problem: Did they, or did they not, approve the law on the formation of the upper house? The report of the vote-counting commission that toted up the results of the first-ever vote by questionnaire in the house said: 90 — "for," 61 — "against," with 9 "abstentions." Commentary by Veronika Kutsyllo.

The law on the formation of the Federation Council was approved back on 24 June, when the 14-day deadline for voting on the law was up. Under the Constitution, a law on which there was no vote in the house is regarded as having been automatically approved and should be sent to the president for his signature. Voting by questionnaire, as Yelena Mizulina, deputy chairman of the Federation Council Legislation Committee put it, is an expression of the political will of the house.

Who cares for this political will, one would think, if the law was already approved de jure? Things are not that simple, however: It is one thing if Yeltsin turns down (he probably will) a law rejected by the chamber (Shumeyko used all his energy for this on 21 July in trying unsuccessfully to put the law to a vote in the chamber), but it is something else altogether if the president does the same to a formally approved law, and yet another if he goes against the clearly expressed will of both chambers.

Judging by the Federation Council chairman's behavior, the latter option terrified him. It is hard to account otherwise for Shumeyko's lapsing into now common, now high-flown speech. Truth be told, the other excited deputies were guilty of the same. The Federation Council walls must not have witnessed such passions before. Deputy Shumeyko: "Can't you see? It isn't our future, not the future of the Federation Council, but the future of federalism in Russia that is being decided!" Deputy Kostoyev (from the floor): "Oh boy, oh boy!" Deputy Sidorenkov (into the mike): "Absolutely agree with you, Vladimir Filippovich [Shumeyko]: the future of federalism is being decided. Of democracy, too...." Deputy Shumeyko: "No, no, no, no...."

The story of assessing the results of the vote is also dramatic. It was decided on 21 July to hand in the questionnaires before 27 July. According to one member of the commission, 93 votes (out of the 90 required) were in at 0000 on 27 July. On the morning of 27 July, they decided that "X-hour" [zero-hour] should be when the vote-counting commission started working. At that moment (around 1000 on 27 July) there were 93 "yes" votes. By the end of work the number of votes in favor of the law happened to be 90, including one "doubtful" vote and three "no" votes — deputies changed their minds after the report was signed.

Precisely what made the deputies change their mind will of course remain their own and the speaker's "little secret." But what they did enabled Vladimir Shumeyko to state: "I consider the law as not having been passed. There are only 87 votes 'for.' And it does not say anywhere that you can't change your mind. The voting is open, and everyone can change their mind even if it should be ten times!" However, the deputies finally managed to protect the report against "retrospective" changes in a hard struggle against the speaker in league with Moscow Oblast Governor Anatoliy Tyazhlov. A well-meaning Deputy Vorobev inked a plus in the "for" box and minus in the other boxes. He confirmed his opinion before the official count began, but the speaker stubbornly refused to believe it.

The "Vorobev case" kept the chamber busy for at least an hour. Now, perhaps from desperation, Shumeyko appealed for "common sense," asking: Why should we once again approve this law if we have already officially approved it? He even promised to forward the law to the president "as early as tomorrow." When this failed also, the speaker appealed to the deputies' consciences: "You do know, don't you, who is voting for the law.... (perhaps implying exclusively those who can once again become members of the Federation Council only through elections); I do not have in mind such heads of administrations as Nemtsov and the others, never mind them.... ("Nemtsov and the others" supported the law despite their elevated social position); the Federation Council will become an appendage to the Duma....; I am not going to run for a house where there are elections...."

All that would sound funny if it were not so sad.... The president alone could perhaps assess the speaker's frantic attempts to contest the voting results for what they are worth. As for many observers, Shumeyko was projecting the image of someone unable to lose with dignity: According to the regulations of the house (this was confirmed in no uncertain terms by Yevgeniy Krestyaninov, chairman of the Regulations Commission), the Counting Commission's report cannot be contested. A decision may be made to hold another vote, but one cannot doubt the report of this vote. That is to say, the Federation Council, even if by a narrow margin, yesterday passed a law on its formation, and this decision should be translated into a decree of the chamber with no additional voting. Admittedly, Krestyaninov is not sure the speaker is going to really do that.

As for Boris Yeltsin, it is not going to be a pleasant experience turning down the law; this time around, the role of arbiter between the houses does not suit him at all. However, there is one way left for the president to don the judge's gown: to act as a mediator between the Federal Assembly and the Russian Federation, that is to say, between regional heads. It is quite possible that he will go for it.

Federation Council Aide on Transcaucasus Conflicts

MM2807153595 Moscow RABOCHAYA TRIBUNA in Russian 28 Jul 95 p 5

[Interview with Vadim Gustov, chairman of the Federation Council Committee for CIS Affairs, by Svetlana Mikhaylova; place and date not given: "The Guns Must Fall Silent — That Is the Opinion of Vadim Gustov, Chairman of the Federation Council Committee for CIS Affairs, Who Recently Returned From a Visit to the Transcaucasus"]

[FBIS Translated Text] [Mikhaylova] Vadim Anatolyevich, you also visited Azerbaijan and Armenia at the beginning of May. Did you sense any changes since then as regards the settlement of the conflicts in the Transcaucasus?

[Gustov] The Minsk OSCE [Organization for Security and Cooperation in Europe] group, which was joined by another two cochairmen, Vladimir Kazimirov and Rene Niberg [name as transliterated], during our visit, is working more actively now, in my opinion. That is the first point. In the near future the question of the participation of a CIS structure in the negotiating process will be resolved. Perhaps it will be the Interparliamentary Assembly. And third, since our visit another 90 prisoners have been released. People have returned to their families and their homes. That is also quite significant.

Now we are carrying out the phased implementation of the concept of the major agreement that we have been talking about in practice for two years now. The negotiating process is proving difficult. Analyzing the situation both in the Azerbaijan-Armenia conflict and in the Georgia-Abkhazia conflict, I would say that there is a buildup of forces going on and this is worrying. Georgia is creating its own army now. The Abkhaz are aware of this and they have built up quite a substantial military potential on their side too. During the latest trip Geydar Aliyev told us that Azerbaijan is carrying out the organizational development of its armed forces more actively now. The same process can be seen in Armenia, too. We know that in Nagorno-Karabakh today there is a well-armed army numbering 15,000 men with more than 100 tanks, a salvo fire system, and the latest air defense with an early warning system. In other words, in due course those who are in power in the Transcaucasian states will possibly settle their own problems using the very latest weaponry. So unless we realize that we are moving toward localized wars in the Transcaucasus region right now and look for a solution within a year, the guns will begin firing again. I dread to think what will happen then.

[Mikhaylova] The Russian peace-keeping forces in Georgia have expressed a readiness to help in the repatriation of refugees. Are the peace-keeping forces not being given functions which are not properly theirs?

[Gustov] It goes without saying that the Abkhazian side's consent was needed before the peace-making forces could enter this zone. Otherwise quite a few mistakes could be made which would be difficult to rectify later. After all, there is an armed forces mandate which applies only to the "security corridor." One step to the right or the left would be a violation of that mandate. I have V. Ardzinba's promise in writing that if Russia acts as guarantor he will accept up to 200 refugees a week. He could even double or treble that figure if the need arises. So we have to look in that direction. However, if we do not get Ardzinba's agreement the question will have to be posed firmly. Because this destructive position is actually slowing down the development of all the other Transcaucasian states.

If the presidents were to work as the people expect them to everything would be fine. But according to my calculations around 600-700 decisions have not been implemented yet. Including the noble intention that the peace-keeping forces should consist of representatives of different states. That is why when speaking during the visit to the Transcaucasus, I said — let us ensure that the peace-keeping forces really are a force.

[Mikhaylova] Can anything be done before the meeting in Sochi in September? After all, there is hardly anything left....

[Gustov] My team and I are working intensively now. We have managed to get something done. Both on the question of the prisoners, as I have already said, and even earlier than that on the conclusion of the Bishkek Treaty: There has been no shooting in Nagorno-Karabakh for over a year now. Of course, the approaching parliamentary elections in Russia could prolong that process. Even then such organs as the Federation Council and the State Duma will not realistically be able to hold talks before April. That is why we want to speed up the elaboration of the kind of document which would make the leaders personally accountable for what is happening in the Caucasus. After all, the presidents must understand one day that they must try a different policy.

Duma Amendments To Privatization Law Viewed

MM3107093995 Moscow ROSSIYSKAYA GAZETA in Russian 28 Jul 95 p 9

[Unattributed report under the "Legislative Portfolio" rubric: "Regions' Rights Extended" — from the "Departmental Supplement" section]

[FBIS Translated Text] On 20 July the State Duma made amendments and additions to the Russian Federation Law "On the Privatization of State and Municipal Enterprises in the Russian Federation." The new version of the law has been referred to the Federation Council.

This law must now be called the law "On the Privatization of State Enterprises and on General Principles of Privatizing Municipal Enterprises in the Russian Federation."

Privatization's legislative base has been considerably extended by including in it laws and other normative acts issued by Russian Federation components. The privatization of state property belonging to Federation components is subject to legal regulation by their acts.

The article of the law devoted to the state privatization program underwent the greatest amendment. Under the new version of the law the state privatization program is subject to annual correction by the State Duma. In addition, the State Duma has the right to amend the list of types of activity of facilities whose privatization is restricted and to approve decisions on the early separation from state ownership of blocks of shares of enterprises in strategic industrial sectors.

A fundamentally new provision substantially extending the potential of regions has been inserted into the law — Federation subjects and municipal formations in the person of their representative organs are being given the right to autonomously choose tactics for implementing the process of privatizing state and municipal enterprises.

State securities that are declared by the separate federal law "On the Restoration and Protection of Russian Federation Citizens' Savings" to be targeted Russian Federation debt instruments on guaranteed citizens' savings are included as a means of paying for the acquisition of state and municipal enterprises.

Duma Approves Kaliningrad Economic Zone Draft Law

MM3107102595 Moscow ROSSIYSKAYA GAZETA in Russian 28 Jul 95 p 9

[Unattributed report under the "Legislative Portfolio" rubric: "Privileges for Economic Zone" — from 'Departmental Supplement' section]

[FBIS Translated Text] The State Duma has approved the concept of the draft law "On the Special Economic Zone in Kaliningrad Oblast."

The preamble to the document states that this federal law defines the legal and economic bases for the creation and functioning of the Special Economic Zone in Kaliningrad Oblast and takes account of its specific geographic location and its exceptional significance for the Russian Federation's national interests. In the opinion of the document's drafters, its implementation must lead to an explosion of economic activity in Kaliningrad Oblast.

The authors of the draft law propose to regard the Special Economic Zone as part of the Russian Federation's state territory outside its customs territory and outside customs control over commodities being imported and exported.

In the Special Economic Zone it is proposed to establish a preferential regime of investments and entrepreneurial activity, including foreign economic activity, compared with the general regime.

It is also proposed to fully exempt — for a period of five years — legal persons and individual entrepreneurs registered on the territory of the Special Economic Zone from payment of the tax on profits in respect of that part of the profits which is reinvested in the expansion or modernization of production in Kaliningrad Oblast; it is planned to grant them a number of other tax breaks.

According to the draft law, the Russian Federation Government must adopt the Federal State Program for the Development of the Special Economic Zone, in accordance with which funds are allocated annually from the federal budget as a priority for special federal, interregional, and regional funding projects in Kaliningrad Oblast.

The discussion of this draft law in the State Duma will continue in October, after the end of the parliamentary vacations.

Regional Affairs

Reportage, Commentary on Chechen Talks, Agreement

Despite Talks, War Will Continue

MM2807133595 Moscow IZVESTIYA in Russian 28 Jul 95 pp 1, 2

[Commentary by Igor Rotar: "Talks in Groznyy: Real Search for Peace or Political Spectacle?"]

[FBIS Translated Text] The talks in Groznyy are basically turning into a political spectacle. Despite the now-traditional statements by the negotiating parties about "considerable progress" having been made, the participants in the talks have actually made no headway at all during the almost six-week-long "Groznyy session."

"Essentially, everything will become clear in the next two days. Either we sign a joint communique with the Chechen side on the set of political questions or it becomes obvious that the 'war party' on both sides of the barricades has carried the day," Arkadiy Volskiy [head of russian delegation at Chechnya peace talks] told IZVESTIYA (15 July). More than 10 days have now passed. However, strange though it may seem, Arkadiy Ivanovich is optimistic today: "We have agreed 90 percent of the agreement and, I think, we will sign it on Monday." To be fair, it should be noted that such promises have been lavishly dispensed to the press throughout the unsuccessful negotiation process.

However, Volskiy may have become more optimistic in his assessment of the talks since his conversation with Viktor Chernomyrdin. At that meeting between the prime minister and the Russian delegation a decision was made to change the tactics at the talks fundamentally. Moscow decided to abandon trying to solve the political issues for a while and to concentrate on the set of military issues. "The main thing now is to stop the war," in Volskiy's opinion.

However, even if the participants in the talks do manage finally to sign the agreement, this will scarcely change the situation in the republic in any radical way.

The broadcast made on the clandestine local television service on Sunday by the disgraced president demonstrated once again that the adjective "Dudayev" can only be applied to the present Chechen delegation in a very arbitrary way. Essentially, the former Soviet general's speech nullified all the preliminary accords reached by the participants in the talks. Dudayev stated that he regards the present talks as futile, as they are "being conducted by nitpickers." "We will agree to complete independence only," the Chechen president stressed. If you bear in mind that, in Volskiy's words, the Dudayev delegation has agreed to "honorable surrender," it is clear that the policy of the Chechen president's representatives at the talks has virtually nothing in common with the views of their nominal leader.

The Chechen president did not refrain from personal attacks during the broadcast, stating that Volskiy is the "secret leader of the military-industrial complex" and that he is precisely the man to blame for the introduction of Russian troops into Chechnya.

"When I learned this, I immediately informed the Dudayev delegation that I would take no further part in the talks. However, the delegation members expressed their own apologies to me. It is interesting that Vasiliy Tarasenko, chairman of the Committee for the Affairs of the Federation and Regional Policy, conveyed similar apologies to me," Volskiy told IZVESTIYA.

Alas, in no way did Arkadiy Ivanovich end up with apologies direct from the Chechen president himself, and this episode is yet further proof that the members of the Dudayev delegation are really pursuing a policy which has not been agreed with Dudayev.

Nor can it be ruled out that the punishment meted out to a family in the suburbs of Groznyy was not the bloody consequence of disagreements in the Dudayev camp. IZVESTIYA has learned from circles close to the leadership of the Russian Prosecutor's Office that investigators are certain that the murderers are not connected with the Russian Army. At the present time the investigators consider that the provocation was organized either by Dudayev "hard-liners" or by people from the present Moscow-appointed republic leadership who will be deprived of the power of which they have grown enamored should the talks be successful. However, it is perfectly possible that the investigation is deliberately inclined toward versions of the event that are favorable to Moscow.

The ambiguity of the Chechen delegation's position is also understood by Moscow's representatives. "Certain field commanders have already stated that they will simply shoot the members of the Chechen delegation. I personally am very concerned about the fate of the head of the Chechen delegation, Usman Imayev. He simply disappeared on the last day of the talks! In theory, anything could have happened to him! But I hope that he has gone off for talks with Dudayev and will return safe and sound. What capacity he will return in is another matter! No one has stripped delegation members of their powers to date. God forbid that Dudayev should commit such folly!" — Arkadiy Volskiy told me.

However, as IZVESTIYA wrote back on 6 July, Moscow does not rule out the possibility of holding separate talks with the present Chechen delegation. "With Dudayev it would be possible to discuss only one topic — the means whereby he depart to another state. However, he has flatly rejected that proposal," according to Arkadiy Volskiy.

Given this situation, it is becoming increasingly acceptable to the Russian delegation to try to reach agreement with the present representatives of Dzhokhar Dudayev, bypassing the latter, particularly as, in the opinion of Moscow's representatives, the representative nature of the present Dudayev delegation, which includes the chairman of parliament, the general prosecutor, the chief of staff of the armed forces, and the minister of culture, confirms the legitimacy of such a separate agreement.

Unfortunately, in reality such tactics are pretty futile. Today the field commanders, who have little head for legal nuances, are convinced that the current talks must end with the withdrawal of Russian troops and Moscow's recognition of the Chechen Republic's independence. "We won't lay down our arms until this happens!" — guerrillas told me. Supporters of Chechen independence are at the same time hoping for the best. The rumor has already spread around Groznyy that a white horse is being bought Dzhokhar Dudayev for the victorious entry into the Chechen capital.

One can only imagine what the reaction of these people will be when they finally fully realize which of the opposing sides the present talks will seal the surrender of. Not only will the Chechen delegation be designated "enemies of the nation," but the reputation of Dudayev himself, who put his faith in the Imayev-led delegation, will also be threatened. "Today many field commanders are convinced that Dudayev is responsible for Chechnya's defeat and that Shamil Basayev, who forced Russia to sit down at the negotiating table, is the real hero," Arkadiy Volskiy told me..

Here, if a split occurs in the Dudayev camp, the war in Chechnya will become even more chaotic and unpredictable: Small, completely uncontrolled detachments of guerrillas could be more dangerous to Moscow than resistance forces under a unified command (with which it is possible to try to hold talks!). So, according to one hypothesis, Moscow could have destroyed Dudayev along ago, but did not do so, fearing anarchy would then reign among the guerrillas.

The war will most likely continue in Chechnya regardless of the results of the talks. It is clear that Dudayev's men will be unable to go on to the offensive, but it is also pretty unlikely that Russian forces will manage to take the whole of the republic's territory under their control in the immediate future — modern combat equipment is pretty ineffective in mountainous terrain. It will be even more difficult to destroy the underground groups which exist in virtually every Chechen city today. The Chechen resistance forces will most likely switch over completely to guerrilla methods of fighting the war and, as world experience shows, it is very difficult to combat such tactics.

Dudayev Sees Talks as Useless

MK2807134695 Moscow SEGODNYA in Russian 28 Jul 95 p 2

[Report from Groznyy by Nadezhda Chaykova of RIA-NOVOSTI under the "Threats" rubric: "Dzhokhar Dudayev Foreswears the Commandment of 'Thou Shall Not Kill.' Now, on Top of the Withdrawal of Russian Troops, the General Demands 'Restitution for Moral and Material Damage'"]

[FBIS Translated Text] On Tuesday, Dzhokhar Dudayev told your RIA-NOVOSTI correspondent in Groznyy that "all citizens of the Chechen Republic hope for peace, while the leadership of the Russian Federation does not want a genuine peace." "I see perfectly clearly," the general said, "that the talks are increasingly becoming stalled, and responsibility for that rests with the negotiating parties, the Chechen side in the first place. These talks, as they are conducted now, have no prospects for the future."

Dzhokhar Dudayev said that presently "an educational campaign is being carried out among the population to explain why we had to break the talks, and we are trying to explain to the people that this was not a whim. We hope that the people will understand us instead of listening to the propaganda of the Russian side, which every day creates the impression of successful talks and announces that an agreement is about to be signed. In the meantime, provocative statements are heard in Moscow about the secession of Naurskiy or Shelkovskiy Rayons."

General Dudayev thinks that "this war had been prepared for more than one month or one year, it had been prepared for a very long period of time." He said: "I am certain that it was prepared by Korzhakov and his allies. I would not like to comment on why or how this was done, but the fact that those who prepared this war presently are conducting the talks proves that there is no wish to achieve a genuine peace. One organizer of the war — Volskiy — is presently part of the Russian delegation in the talks."

Mr. Dudayev thinks that "if the talks are not really constructive, they had better be broken off. Some of the commanders may lose their temper and yet another Budennovsk may occur." In his view, "the security of the Chechen and Russian delegations in the talks has not been ensured. Any provocation is possible, both on the part of the Russian side and on the part of certain Chechen individuals."

Dzhokhar Dudayev demands from the Russian side a troop withdrawal and "restitution for moral and material damage" in order to restore "at least some part of the republic's national economy." He said that "a huge number of the male population from 17 to 50 have presently been left homeless and without livelihood. They can only fight, and they will be disappointed if the war ends so quickly." In his opinion, for Russia "this so-called peace, this farce will be a matter of horse-trading with the world community. As for us, we will be left without any restitution for damages, thrown hundreds of years back into the Stone Age. Our soil is desecrated and injured, to say nothing of the tens of thousands of people who have been killed."

Dzhokhar Dudayev believes that "any people should gain its freedom and independence by force, not by petitions, particularly so from Russia." The general said that "the psychology of Chechen fighters has changed considerably. We are veering away from the principle of 'thou shall not kill' and are becoming increasingly aware of the fact that evil can only be warded off by evil — and violence, only by violence."

[Article includes the following unattributed boxed commentary]

While Russian negotiators in Groznyy have announced their readiness to give up attempts to agree upon "the political package" of the final document, Dzhokhar Dudayev, outlawed by Russia, now and again makes political statements clearly aimed at derailing the talks as a whole. The above interview of the Chechen president does not appear to leave any doubt as to his political intentions, plans, or methods. There is ample evidence by observers and participants in the negotiating process, however, showing that the maverick general has lost whatever influence he may have had on the situation in the republic. Yet, at the same time Dzhokhar Dudayev is still seen by many "ordinary Chechens" as an ideological fetish of sorts and, as such, undoubtedly remains an active player in the prolonged Chechen crisis.

Dudayev Attack Jeopardizes Truce

MM2807155095 Moscow KRASNAYA ZVEZDA in Russian 28 Jul 95 p 1

[Article by Aleksandr Pelts: "Are Dudayev's Men Mounting an Offensive? Will It Be An Armed One?]

[FBIS Translated Text] First of all here is food for thought: Last night Dudayev's gunmen made an unsuccessful attempt to seize the Groznyy Military Headquarters. ITAR-TASS reports that there was intense fire from automatic weapons and grenade launchers for almost the whole of the first half of the night. The attempt failed. Fortunately, the federal forces sustained no losses.

Apparently, the editorial office will receive details of this incident later. But even now we might ask the question — why was an attack mounted which was plainly senseless from a military point of view? In order to finally stall the peace negotiations, which as it is, are, as they say, just limping along? Or to show who really is in charge of the city? Finally, we have the question put on television by one of our federal troops whose comrade died in his arms from a gunshot wound inflicted by Dudayev's men [as published; see first paragraph claiming no federal force losses] — why were we exposed to fire? After all we are fired on not only at night but during the day as well?

Paradoxical as it may seem, the more confident the statements are about a "rapprochement" at the negotiations and about there being a willingness to sign at least some kind of document, the more such questions are raised. It has to be said that recently they are not only be raised due to provocations by Dudayev's men. The new break in the negotiations has enabled representatives of the Russian delegation to state their opinions about the negotiations' progress. Here we discover very significant differences in the views of the delegation leader, Vyacheslav Mikhaylov, and delegation member and presidential aide, Mikhail Krasnov. Whilst the former states his readiness to make concessions and to sign a military agreement unlinked to political questions, the latter states that the Russian delegation cannot return to the negotiations at all, blaming Dudayev's side for their actual breakdown.

We do not have long to wait to find out how things will turn out — only until Saturday. As yet one thing is clear — the negotiating process is extremely strained. If there is one more attack like yesterday's or one more bombardment, it will simply be sacrilege to talk about any truce in the presence of Russian servicemen who, as member of the Temporary Commission to Monitor the Observance of Citizens' Constitutional Rights and Freedoms, Abdulakh Mikitayev, stated, have lost 60 killed and more than 500 wounded in the period of the peace negotiations alone.

As far as Dudayev's gunmen are concerned, there is every sign that they can simply do without the negotiations. During the lull in the fighting, they have regrouped, replenished their reserves of weaponry and ammunition, and returned to many regions which they abandoned under pressure from the federal forces. It is now clear that they have decided that the time has come to act....

Military Agreement Signed

LD3007055895 Moscow ITAR-TASS in English 0539 GMT 30 Jul 95

[FBIS Transcribed Text] GROZNYY July 30 (ITAR-TASS) — The Russian and Chechen sides signed an agreement on military issues last night during the continuation of talks on the settlement of the Chechnya conflict.

OSCE Spokesman Details Agreement

LD3007073395 Moscow Radiostantsiya Ekho Moskvy in Russian 0600 GMT 30 Jul 95

[FBIS Translated Text] At the talks in Groznyy, the sides last night signed an agreement on military matters. It includes an immediate cessation of military actions, exchange of prisoners, cessation of terrorist operations, and a stage-by-stage pull-out of Russian troops from Chechnya, according to the OSCE spokesman. It is expected that at 1100 [0700 GMT] the talks will resume.

More on Signing of Agreement

LD3007074095 Moscow ITAR-TASS in English 0707 GMT 30 Jul 95

[By Sharip Asuyev and Aleksandr Kharchenko]

[FBIS Transcribed Text] GROZNYY, July 30 (ITAR-TASS) — The Russian and Chechen sides signed an agreement on military issues last night during the continuation of talks on the settlement of the Chechnya conflict.

A representative of the Russian President in the Chechen Republic and a special monitoring commission with its co-chairmen — commander of the federal troops in Chechnya Anatoliy Shirokov and chief of staff of the Dudayev armed units Aslan Maskhadov — are guarantors of its fulfillment.

Another round of talks on a peaceful settlement of the crisis in Chechnya was resumed in the premises of the OSCE [Organization for Security and Cooperation in

Europe] mission in Groznyy last Saturday after a three-day break. The Russian Government delegation continues to be led by Russian Minister for the Affairs of Nationalities and Regional Policy Vyacheslav Mikhaylov and the Dudayev delegation — by Usman Imayev. He told journalists that the package of military problems would be further discussed. Speaking about a possible beginning of the exchange of prisoners of war and forcibly detained people, Imayev said that the exchange might be started only after the Russian side presented complete lists of those people.

The talks were held on Saturday well into the night. Representatives of the delegations taking part in the negotiating process did not give interviews to journalists, who are keeping watch outside the OSCE mission.

Russia's Mikhaylov on Military Agreement

LD3007082895 Moscow ITAR-TASS World Service in Russian 0801 GMT 30 Jul 95

[By Sharip Asuyev and Aleksandr Kharchenko]

[FBIS Translated Excerpt] Groznyy, 30 July (ITAR-TASS) — "A very important step has been taken in the difficult talks — I would even call it the struggle — to begin the road to peace, disarmament of illegal armed groups, and restoration of calm in the Chechen lands," was how Vyacheslav Mikhaylov, head of the Russian delegation to the talks in Groznyy, described the agreements on military issues signed at 0400.

Details of these documents and also of the talks' progress will be announced to journalists at a special news conference at 1200 Moscow time [0800 GMT]. [passage omitted, covered by referent item]

Minister Kulikov on Military Agreement

LD3007122895 Moscow ITAR-TASS World Service in Russian 1133 GMT 30 Jul 95

[By Sharip Asuyev and Aleksandr Kharchenko]

[FBIS Translated Text] Groznyy, 30 Jun (ITAR-TASS) — "I am personally very pleased that after the lengthy negotiations, peace will at last come to Chechen soil," Sandor Meszaros, head of the OSCE mission in Chechnya, stated when he opened a news conference today on the results of the talks in Groznyy.

"It has been a hard and difficult path in both the direct and the figurative sense," Russian Interior Minister Colonel General Anatoliy Kulikov said afterwards when he spoke. "The Russian side alone has in the conflict lost about 1,800 servicemen killed, 6,500 men wounded, and 250 missing."

Anatoliy Kulikov said that the possibility of starting peace talks on a settlement to the Chechen crisis was discussed as far back as May. "We, the military, have more than anyone else felt the senselessness of continuing this war," Kulikov added.

Explaining the content of the block of military issues that has been signed, he underlined that the main thing in the document is the cessation of combat operations, which has come into force today. Directives and orders on both sides have been issued. A special monitoring commission, which includes representatives from federal and local bodies of power and from all public organizations in Chechnya, has been set up. The OSCE has been invited to join this commission in the capacity of observers. The next stage in the agreements will be the mutual exchange of maps showing the location of units and mine fields.

Prisoners of war and individuals forcibly detained by the two sides will be exchanged. Lists of them have already been exchanged. Anatoliy Kulikov stated also that the Russian side has already prepared lists for publication in the mass media of 1,325 people being held at screening centers and other places. According to him, the exchange of these people will be made on the principle of "all for all" within one week.

An important provision in the agreement is the disarmament of illegal armed formations and the staged withdrawal from Chechnya of Russia's troops. According to Anatoliy Kulikov, the illegal formations should be disarmed first of all, then all the home guards, and later specific individuals.

The mechanism and relevant instructions in this work have been defined. In particular, in every populated area of the Chechen Republic, self-defense detachments, numbering from 15 to 25 people, will be set up until the lawful bodies of power are elected and the law enforcement bodies are fully organized. Anatoliy Kulikov did not rule out that during the stage of the disarmament of the population, weapons could be bought up.

Touching upon the problem of the withdrawal of Russian forces, the minister said that one brigade of Interior troops and one motor-rifle brigade of the Russian Federation Ministry of Defense will remain in the territory of the Chechen Republic. The deployment of these forces will be agreed upon with the bodies of authority of Chechnya.

Anatoliy Kulikov stressed in particular that this package on military issues includes an agreement that both sides have agreed to halt terrorist and subversive acts. In addition, the Chechen side confirmed its willingness to help the Russian side in the search for the members of Shamil Basayev's terrorist group.

"We consider," Anatoliy Kulikov stated, "that the signing of this package on military issues brings enormous benefits to everyone from the inhabitants of Chechnya to the entire world community. The implementation of these agreements will be guaranteed by the Russian president's personal representative in Chechnya and a special monitoring commission, of which the commander of the joint group of federal forces in Chechnya and the chief of staff of Chechnya's armed forces will be co-chairmen."

At the same time, he did not rule out that the agreements that have been reached on the block of military issues could face resistance. "It looks as if not everybody in Groznyy, in the mountains, and in Moscow will happily welcome the decisions. There are forces who are interested in keeping this fire smouldering, if not blazing. But we — the participants of the talks — are unanimous in believing that peace is the most important thing," Anatoliy Kulikov said.

He called for the mass media to help the process of establishing peace in Chechnya by being fair and restrained. According to the Russian Federation's Interior Ministry, with the signing of the block of military issues, the problem of finding a peaceful settlement to the Chechen crisis has been transferred from "a military footing to a political footing."

Maskhadov: Chechen War Not 'Over'

*LD3007194495 Moscow Russian Public Television First Channel Network in Russian
1800 GMT 30 Jul 95*

[Comments by Aslan Maskhadov, chief of the General Staff of the Chechen armed forces, after the news conference by Russian Interior Minister Anatoliy Kulikov on the Chechen military agreement, in Groznyy on 30 July; from the "Sunday" program — recorded]

[FBIS Translated Text] The most valuable thing with this agreement as I see it, is that for the first time in the history of relations between the Russian Federation and the Chechen Republic, the notion has emerged that military force should never again be used to resolve disputes. This is very important, very important.

One very serious thing: The signing of this agreement does not mean the war is over. There is still a large amount of very meticulous work to be done, especially for the military. As Anatoliy Sergeyevich [Kulikov] said here, the military understands the cost of this war. By signing this agreement today, the military has set itself the enormous task of ending this war for real, of ending the bloodshed. Ahead we have disarmament and the withdrawal of troops, which will all be very difficult, because there will be many provocations from both sides. As was pointed out here, there are many forces in favor of continuing the war, forces that will not spare either Chechen or Russian blood to make their weight felt. But this does not have to happen.

Maskhadov Provides Details of Accord

*LD3007141095 Moscow INTERFAX in English
1215 GMT 30 Jul 95*

[FBIS Transcribed Text] GROZNYY, July 30 (INTERFAX) — The agreement on military issues signed by the Russian government's delegation and supporters of Dzhokhar Dudayev in Groznyy in the early hours of Sunday, in particular provides for Russia and Chechnya withdrawing their troops from the line of engagement by 2-4 kilometers, for Russia withdrawing its troops from Chechnya and for disarming Chechen formations step by step.

A Chechen negotiator for talks with Russia, Akhyad Idigov, told INTERFAX this morning that in line with the document two brigades of Russian troops would remain in Chechnya: a combined arms brigade and an interior troops brigade. Idigov said the negotiating parties were expected to achieve a special supplementary agreement on the number and the stationing of the two brigades.

The implementation of the agreements, which came into effect at the moment of the document's signing, will be guaranteed by Chief of the Chechen Formations Staff Aslan Maskhadov and a representative of the Russian president.

Idigov said the agreement fixed the special position of the Russian side that the Chechen Republic Ichkeria is not recognized by Russian legislation. He added that, however, the delegation of the Chechen Republic Ichkeria was an actual guarantor of the signed agreement.

Idigov said that representatives of the government of national rebirth of Chechnya and the Chechen national accord committee "dragged themselves along following Russian bayonets and are not considered as such guarantors."

Idigov said Russia and Chechnya were expected to exchange war prisoners and detained persons, including those in filtration camps, under the all-for-all formula within a week.

Idigov said Russia and Chechnya were likely to exchange the lists of such persons on July 30.

An INTERFAX correspondent reports that a press conference dedicated to the signed agreement is expected to be held in the OSCE mission in Groznyy today at 11:00. After the press conference the two delegations are likely to continue discussion of political problems.

Volskiy on Chechen Status Decision

LD3007163095 Moscow NTV in Russian 1500 GMT 30 Jul 95

[Interview with Arkadiy Volskiy, deputy head of the Russian delegation at the Chechen talks, by correspondent Alim Yusupov at Chkalovo Airport, Moscow, on 30 July; from the "Segodnya" newscast — recorded]

[FBIS Translated Text] [Yusupov] The package of political issues has not yet been signed. Has it been submitted for signing, today or yesterday?

[Volskiy, at the airfield] You know, this topic is related, but not as closely as we think, because there is no legitimate government, there are practically four today. So, with whom should talks on status be held? So talks now need to be held on preparing conditions for elections to be held, elections will be held, further elections will be held, including to the Russian Federation State Duma, and then a decision will be made on this issue.

[Yusupov] All the same, the issue of elections does not depend on the signing of a political protocol then?

[Volskiy] The other way round. The new bodies of power will depend, you might say, their positions will be defined by our future mutual relations with Chechnya. Chechnya is a constituent part of the Russian Federation and it is unambiguous, it is written in the Constitution. Of course there may be some special kind of status for Chechnya. Talks need to be held with the new government.

[Yusupov] The Chechen side definitely agrees to elections, irrespective of whether there will be a political agreement?

[Volskiy] No, they unambiguously affirm that the free expression of the people's will is the law for them.

Maskhadov Hails Cease-Fire Accord

LD3007155295 Moscow ITAR-TASS in English 1540 GMT 30 Jul 95

[By Aleksandr Kharchenko and Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, July 30 (ITAR-TASS) - "For the first time in the history of relations between Russia and Chechnya a decision has been adopted not to use force to resolve any problems," Aslan Maskhadov, chief of staff of Chechen separatist leader Dzhokhar Dudayev's forces, said.

Speaking at a news conference in Groznyy on Sunday, Maskhadov described the decision as the most valuable one. "A terrible tragedy that occurred on Chechen soil has shown that no political issues can be solved by force."

At the same time, he pointed out that the resolution of such questions as the disarmament of illegal armed groups and the withdrawal of Russian troops may meet resistance on the part of the forces which do not want peace to be restored in the region.

"But they won't succeed," he said emphatically, adding that Chechen people have now to establish consensus through free and democratic elections.

He believes Chechnya's status and its relations with Russia will be determined after the elections and the formation of local bodies of power in the republic.

Lecha Mamedov, deputy head of the National Accord Committee, who also took part in the press conference, welcomed the agreement as a "historic event" which has "stopped the war."

"The government and the president of the Russian Federation have risen above all other forces and got engaged in the peace process which no one will be able to disrupt," Arkadiy Volskiy, a member of the Russian delegation to the talks, said.

He said there were four instances which could have derailed the peace process, but "the military, and Anatoliy Kulikov in particular, have taken a constructive position... For the first time Russia has an intelligent and good interior minister."

Usman Imayev, head of the Chechen delegation, told journalists that a military set of issues had been approved by "President Dzhokhar Dudayev and the Cabinet of Ministers of the Republic."

Winding up the press conference, Vyacheslav Mikhaylov, Russia's top negotiator, said the signed agreements will speed up political negotiations to resume on August 3 in Groznyy on the level of working groups.

Volskiy Details Military Agreement

LD3007181095 Moscow Russian Television Network in Russian 1600 GMT 30 Jul 95

[Video report by unidentified correspondent, including recorded comments by Arkadiy Volskiy, deputy head of the Russian delegation at the Chechen talks; from the "Vesti" newscast]

[FBIS Translated Text] [Correspondent] Arkadiy Volskiy, member of the Russian delegation at the Groznyy talks, said that the final text of the agreement concluded with the Chechen side stipulates the composition and the size of the commission that will oversee the peace process. It will be headed by two co-chairmen.

[Volskiy] They will be the commander of the Russian joint forces and Maskhadov, the chief of staff of the illegal armed formations. They will be co-chairmen, while the disarmament will be carried out under the supervision of international and Russian observers, etc.

[Correspondent] The political issues connected to the setting up of the Councils of Elders in Chechen villages and towns have also been resolved.

[Volskiy] A proposal has been accepted to the effect that a representative of the Russian president should oversee the process of the disarmament.

[Correspondent] The OSCE will also take and active part in the process of disarmament. Preparations for the elections will also go ahead. All the political forces in Chechnya, including two or three Dudayev's parties, will be able to take part in them.

[Correspondent, addressing Volskiy] There will be no elections and the status of Chechnya will not be decided before the disarmament, is that correct?

[Volskiy] Yes, this is impossible.

Chechen Leaders View Results of Talks

LD3007163595 Moscow ITAR-TASS in English 1613 GMT 30 Jul 95

[By Aleksandr Kharchenko and Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, July 30 (ITAR-TASS) — "We have neither participated in the discussion of the set of political issues nor signed today's agreement because we are not a warring side and have no armed formations," Salambek Khadzhiyev, head of the Chechnya's National Revival Government, said.

Speaking at a joint news conference in Groznyy on Sunday, Khadzhiyev, Lecha Magomadov, deputy head of the National Accord Committee, and Abdulla Bugayev, Vice-Prime Minister of the National Revival Government, stressed that their agencies have done their best to facilitate the peace process. The military accords reached at the talks will allow the government to concentrate more on the economic and social restoration of the republic, they said.

They said a ceremony marking the end of the war will be held on former Teatralnaya Square in Groznyy on August 3.

Magomadov expressed the confidence that the politicians on both sides will be as wise in dealing with political and economic problems as the military have been in solving military ones.

Pending political agreements, the National Accord Committee and the National Revival Government will carry on in their present capacity, they said.

Earlier today, Khadzhiyev welcomed a military agreement between Russia and Chechnya as a move paving the way for a negotiated settlement of the Chechen crisis.

"I am very glad that the agreement on a set of military issues has been signed. Now we can start dealing in earnest with disarmament issues and the streamlining of the troops' actions. I, too, will at last do normal economic work," Khadzhiyev told ITAR-TASS.

He stressed that shooting in Chechnya cannot be stopped immediately, adding, however, that the military agreement provides for a civilised resolution of this problem.

Dudayev Disavows Military Agreement

LD3007192595 Moscow NTV in Russian 1700 GMT 30 Jul 95

[FBIS Translated Text] The leaders of both delegations at the Chechen peace talks did not rule out the possibility of provocations and attempts to disrupt the peace process. It seems that the first attempt to do this came today from Dzhokhar Dudayev.

Speaking for himself, he disavowed the document signed in Groznyy. In a telephone interview with Radio Liberty, which was recorded a few hours after the agreement was signed, Dudayev said that the Russian side had resorted to blackmail and threats to force the Chechen representatives to sign the agreement on military issues.

Dudayev said that the delegation authorized by himself was essentially spending its sixth day under arrest today. In this connection, Dudayev said that any document signed in such a situation — and I quote: Cannot have any legal validity.

The rebel general's interview for Radio Liberty shows that not only is Dudayev out of touch with the parties to the talks, he does not even know of their movements, because his delegation simply could not have been isolated in Groznyy for even six days if only because it arrived there on Friday [28 July] evening.

Another thesis of Dudayev's interview gives rise to doubt as to the general's consistency. Commenting on the signed agreement on the desire of the Chechen side to help find Shamil Basayev, Dudayev said — and, again, I quote: Basayev is a Chechen national hero and he will be encouraged accordingly. You will remember that 40 days ago when Basayev's fighters were killing the civilians of Budennovsk, Dzhokhar Dudayev categorically denied his involvement with the terrorists and described them as agents provocateurs who had discredited the national liberation struggle of the Chechen people. The agents provocateurs have today become national heroes.

Volskiy Interviewed on Peace Process

LD3007205395 Moscow Russian Television Network in Russian 1900 GMT 30 Jul 95

[Video report by correspondent R. Safronov, including recorded comments by Arkadiy Volskiy, head of the Russian delegation at the Groznyy talks — from the "Vesti" newscast]

[FBIS Translated Text] The Russian delegation returned to Moscow today.

[Safronov] Arkadiy Volskiy, member of the Russian delegation, said that the agreement [signed in Groznyy] stipulates the composition of the commission which will oversee the peace process. It will be headed by representatives of both sides.

[Volskiy] They will be the commander of the Russian joint forces and Maskhadov, chief of the main staff of the illegal armed formations. They will be cochairmen.

[Safronov] The disarmament process will be supervised by international and Russian observers.

[Volskiy] A proposal has been accepted to the effect that a representative of the Russian president should oversee the process of the disarmament.

[Safronov] Arkadiy Volskiy stressed that until the disarmament had been completed there will be no elections in Chechnya. But it is impossible to determine Chechnya's political status without elections.

[addressing Volskiy] Can anybody seriously believe that, given the mountaineers' liking for weapons, they will agree to surrender personal weapons in the future?

[Volskiy] You see, those who surrender weapons are exempt from responsibility, whereas those who don't will be held to account. We have a Russian law on weapons.

[Safronov] The agreement contains general provisions on buying off weapons from individuals. Arkadiy Volskiy did not deny that the peace process has its opponents.

[Volskiy] First of all, these include a forest brotherhood [reference to a post-war resistance movement in the Baltics] or whatever they are called, and Dzhokhar Dudayev has spoken twice against the talks process or against its success. There are opponents both in Groznyy and in Moscow. If you are following our television closely enough, you might have noticed that similar remarks have been made: They should have been finished off and so on. For instance, today a deputy commander of airborne troops, regrettably [changes thought], I was even astonished. The point of his remarks was whether we had fought in vain, we must carry on beating them. But the Russian people has never been a butcher and therein its greatness lies.

[Safronov] Two or three parties of Dudayev's supporters will be able to take part in the elections.

[addressing Volskiy] Could it happen that Dudayev, Geliskhanov and other people from this circle will be exempted from responsibility in order to somehow soften the process of reconciliation and so on?

[Volskiy] You see, this issue was not discussed and I think it is for the law enforcement bodies to decide.

Russian Delegation on Agreement, Dudayev

LD3107105995 Moscow INTERFAX in English 0937 GMT 31 Jul 95

[FBIS Transcribed Text] MOSCOW, July 31 (INTERFAX) — Nationalities Minister Vyacheslav Mikhaylov, heading the Russian government delegation to Groznyy talks on a Chechnya peace settlement, believes that the military agreement signed on Sunday in Groznyy will undoubtedly have a positive influence on settlement and national reconciliation in Chechnya. A statement to this effect was made by Mikhaylov at a news conference on Monday in Moscow in response to an INTERFAX question.

Mikhaylov believes the agreement opens the way for peace in Chechnya but does not exclude possible provocations aiming to break the agreements.

Working groups of both sides are working in Groznyy. They were formed on the same principle as the governmental delegation, and include representatives of the Interior Ministry, of the Nationalities Ministry and of the president. The groups will also include representatives of both chambers of the Russian parliament.

Presidential aide for legal issues Mikhail Krasnov has said that "the Chechen population will oppose Dudayev if he annuls the military agreement."

In his opinion, members of the Chechen delegation who signed the agreement "are rather authoritative people who consider the agreement's fulfillment to be their duty and matter of honor."

Russian Interior Minister Anatoliy Kulikov said he had given instructions on carrying out the agreement to Russian troops stationed in Chechnya. Their tasks will be specified on Tuesday at a Groznyy meeting with participation of generals from the Russian General Staff. In the opinion of Kulikov, head of Chechen troops' headquarters and Chechen representative to the Groznyy negotiations Aslan Maskhadov is "a person who understands the unpromising nature of further combat operations and is striving to halt hostilities."

Kulikov said he received a report from Maskhadov's representative right before the news conference. The report requested to postpone till Tuesday, August 1, a meeting of the head of the Chechen troop headquarters with the Russian military commanders in Chechnya. The meeting was scheduled for Monday to discuss the fulfillment of the military agreement.

Deputy head of the Russian delegation, Arkadiy Volskiy, showed correspondents two documents signed by Dzhokhar Dudayev. In one of the documents he approves the protocol on the military agreement, and in the other takes a pledge to recognize this agreement if it is signed by all members of the Chechen delegation. Volskiy stressed that all members of the Chechen delegation had signed the agreement.

Concerning possible efforts to torpedo the agreement, Volskiy said "both sides have their hawks." In his opinion, "people wishing to continue the war must be removed from the political arena. Especially if they are tied in with the state leadership."

'Lunatics' Found Among Federal Troops in Chechnya

MK2907125295 Moscow KOMMERSANT-DAILY in Russian 29 Jul 95 p 3

[Unattributed report: "Some 5 Percent of Russian Servicemen in Chechnya Are Criminals and Lunatics!"]

[FBIS Translated Text] The above statement was made yesterday by Salambek Khadzhiyev, chairman of the Chechen National Revival Government. In his words, about 2,000 of the 40,000-strong federal troop contingent are "criminals, mentally ill, or simply degenerates." This is evidenced by the crimes that the military commits every day in Groznyy: "They are robbing, looting, kidnapping, and raping people." According to Khadzhiyev, the large number of soldiers in Groznyy "is in no way helping to stabilize the situation," and therefore a decision to withdraw the troops from the city needs to be urgently made.

Dudayev's Military Chief on Chechnya Status

LD2907160095 Moscow NTV in Russian 1500 GMT 29 Jul 95

[From the "Segodnya" newscast]

[FBIS Translated Text] Aslan Maskhadov, the chief of staff of Dudayev's armed formations, in an interview today with POSTFACTUM said that the status of Chechnya could be defined only after democratic elections in the republic. We are not competent in the political package of questions, because only the people can define the status of Chechnya, Maskhadov said. On the subject of his relations with the field commanders, Maskhadov noted, I do not think that all the armed formations fighting against the federal troops are without contradiction subordinate to my command.

Chechen Field Commander Zhaniyev Interviewed

LD2807211995 Moscow Russian Television Network in Russian 1900 GMT 28 Jul 95

[From the "Vesti" newscast]

[FBIS Translated Text] [Announcer Mikhail Ponomarev] We interrupt the planned course of our program for a minute. The producer informs me that we have just received a report from Chechnya by our special correspondent Sergey Zenin.

[Zenin] Bypassing the Russian posts, that under no circumstances allow Russian journalists through to Bamut, we managed by travelling through the mountains for 20 kilometers to reach that place. [video shows two men and a donkey trekking through forest]

This is the town of Bamut with its two streets and fewer than 200 single floor houses, which one could no longer call homes. For more than a month now a Grad rocket-launcher has been giving the place a working-over from the direction of the Russian troops. Russian troops have been making their eighth assault, and this is the result of the last battle. Here is the 18-year-old Chechen lad, who with a single round from a grenade-launcher, knocked the turret off a Russian tank. [video shows street in Bamut; devastated buildings; wrecked tank; interview with young armed Chechen fighter]

[Begin unidentified Chechen man] As they say, it is not weapons that make a man strong, but the man that makes weapons strong. [end recording]

[Zenin] Local inhabitants were led away from here by the fighters so that they could not see what is happening to their homes. A 90-year-old man lived in this one with his wife. [video shows wrecked houses]

Not far from Bamut we managed to interview Magomed Zhaniyev, commander of the western group of [Chechen] forces. It appears that the general was speaking on behalf of all his subordinates. [video shows interview with Zhaniyev]

[Begin Zhaniyev recording] Would that all these negotiations end okay! We do not need war. We are defending our age-old lands. We want to live as we ourselves wish, and not in a situation where at various times various people dictate conditions from above. No, for 300 years now we and our fathers, grandfathers, and great grandfathers have been fighting for our independence, and I think that our own generation will accomplish this task in full. [end recording]

[Ponomarev] These words by the Chechen field commander eloquently confirm the conviction of Russian military officers that the Chechen side, or more precisely the Chechen armed formations, are using the pause in the negotiations to prepare for fresh combat operations.

Dudayev's 'Entourage' Linked To '94 Hostage-Taking

LD3107102295 Moscow ITAR-TASS in English 1004 GMT 31 Jul 95

[By Nikolay Styazhkin]

[FBIS Transcribed Text] STAVROPOL, July 31 (ITAR-TASS) — The involvement of people from Dzhokhar Dudayev's entourage in organising the seizure of passengers of the Vladikavkaz-Stavropol inter-urban bus at Mineralnyye Vody airport in May last year by a Chechen terrorist group is finding confirmation. At that time the terrorists, holding captive 30 passengers, including 20 children, demanded a multi-million ransom in U.S. dollars, narcotics, and a helicopter for a flight back to Chechnya.

Alavdi Vahidov, former member of Dudayev's State Security Service, a certain Saidbek Tepsuyev, who is also connected with Dudayev's security services, and Hassan Magomedov, who brought the gang and arms in his car to Mineralnyye Vody, have been apprehended on the territory of the Chechen Republic and brought to Stavropol. The three took part in the preparation and commission of the crime, Yashar Paladov, the Stavropol Territory Prosecutor's Office's senior investigator of especially dangerous crimes, told ITAR-TASS on Monday. It was established that Tepsuyev and Magomedov not only assisted the formation of the gang but were also to meet them back in Chechnya by signalling with a bonfire at night, and ensure protection.

More than a year ago, three of the four bandits who attacked the bus were captured by Russian special-purpose troops immediately after the helicopter landed in Chechnya. Subsequently, Magomed Bitsiyev was sentenced to capital punishment, Temir-Ali Mazhayev and Ahmed Mahmayev were sentenced to 15 years imprisonment in a colony with a strict regime. The fourth bandit, Alavdi Vakhidov, managed to escape after the helicopter landed in Chechnya. Until now he remained out of reach for the investigators with the aid of the criminal regime which struck root in the Chechen Republic during the rule of Dzhokhar Dudayev.

The Senior Investigator has said the investigation bodies have found out that one of Dudayev's field commanders, who has been identified, provided the gang with firearms, including Chechen-made submachine-guns, pistols, grenades, and trotyl blocks. Measures are being taken to apprehend him and arraign for trial.

Paladov is of the opinion that the spotting and detention of Vahidov, Tepsuyev and Magomedov were facilitated by the dislodging of pro-Dudayev forces from a greater part of Chechnya territory.

The bandits, brought to Stavropol, are to be put on trial after the investigation is completed.

PM Denies Possible Chechen Border Reorganization

LD2807192995 Moscow INTERFAX in English 1802 GMT 28 Jul 95

[FBIS Transcribed Text] GROZNYY, July 28 (INTERFAX) — Prime Minister of the Chechen Government of National Revival Salambek Khadzhiyev has categorically denied the possibility that any territorial reorganization of Chechnya would be carried out.

He told a press conference in Groznyy today that the wording formulated by the Russian State Duma on the reasonability of transferring the Naur and Shelkovo regions of Chechnya to the Stavropol region was "out of place." He said these regions were an integral part of Chechnya and would remain part of it forever.

Under the Russian Constitution, borders cannot be revised without coordination with the federation's constituent members.

Khadzhiyev said he believed that the issue had been raised by those forces who want the situation in Chechnya to deteriorate. "We will not discuss with anybody the issue of Chechnya's territorial integrity," he added.

Khadzhiyev said there were very serious powerful forces both in Russia and Chechnya which do not want the war to end and seek to ignite the situation. "The recent shooting right in the center of town is clear proof of this," he said.

When asked by an INTERFAX correspondent to name these forces, Khadzhiyev said, "These are forces on Dudayev's side and some influential circles in Russia."

Khadzhiyev said he had raised the issue of removing the posts in the town which he believed to be absolutely useless. "Enough with military men occupying nursery schools, schools and hospitals," he said. "Neither Dudayev nor federal forces will create a normal life for us here," he added.

Reportage on 'Smugglers,''Militants' in Dagestan

FSS Operates Against Smugglers

LD2807123195 Moscow Radio Rossii Network in Russian 1100 GMT 28 Jul 95

[FBIS Translated Text] A group of smugglers with weapons has been discovered and blockaded in a mountainous district of Dagestan on the border with Georgia and Azerbaijan. The Federal Security Service, the Internal Affairs Ministry, and Border Forces are carrying out an operation to cut off smuggling weapons to Chechnya.

According to a fax, which has been received from Ramazan Abdulatipov, deputy chairman of the Federation Council, the bandits are in an aggressive mood and have demanded of Muslim servicemen that they leave their comrades-in-arms so that the bandits could start fighting until the last Russian soldier is killed.

Smugglers have seized hostages and the situation in the district is becoming tense. Mountain people are fully determined to prevent their district from becoming a zone of military operations and have demanded militants that they leave the district. Abdulatipov has begun talks with Chechen militants with the aim of preventing bloodshed and victims among civilians. He said the demand made by smugglers is absurd. No Russian soldier will leave his outpost. The talks are being continued at present and operations are being carried out.

Surrounded 'Militants' Free Hostages

LD2807164795 Moscow INTERFAX in English 1506 GMT 28 Jul 95

[FBIS Transcribed Text] MOSCOW, July 28 (INTERFAX) — A group of militants blocked by border troops and special police units 1.5 kilometers off the mountainous village of Kharada in Dagestan, has released all its hostages, well-informed sources in one of the "power" departments told INTERFAX.

According to them, the talks with six militants on disarmament and captivity have given no results yet. The group was found and blocked Thursday night.

According to military sources, the militants, part of whom are Chechens, are armed with automatic guns and grenade launchers. The group was supposedly on its way from Azerbaijan to Chechnya.

Negotiations With 'Militants' Continue

LD2907131495 Moscow ITAR-TASS in English 1301 GMT 29 Jul 95

[FBIS Transcribed Text] MOSCOW, July 29 (ITAR-TASS) — Negotiations with detained Chechen militants are underway in Dagestan highlands, sources at the Federal Border Service's press centre told ITAR-TASS today.

The situation in the highland Tlyaraty region of Dagestan, where Russian border guards and security service detained a caravan with contraband arms on Thursday, remains complicated, ITAR-TASS correspondent Gadzhiy Shamov reports from Makhachkala. Negotiations on voluntary disarmament of the militants, who accompanied the caravan, are underway. The highland area is being cordoned, and no civilians or correspondents are admitted in. Telephone communications is broken.

Well-informed military sources in Moscow told ITAR-TASS correspondent Sergey Bazhenov told that the operation is nearing completion. The persons who accompanied the caravan appeared to be Dudayev terrorists and not arms smugglers.

The negotiations lasted all through the night, and the militants agreed to surrender on two conditions — life and free return to Chechnya.

The Tlyaraty region is a most highland area of the Northern Caucasus. Its south-western part borders Azerbaijan and Georgia. The region has no bus traffic, and there are almost no roads farther than the regional center of Tlyaraty. Residents of local settlements come home on horseback or by foot.

Blockaded 'Smugglers' Linked to Dudayev

LD2907202395 Moscow Russian Television Network in Russian 1900 GMT 29 Jul 95

[From the "Vesti" newscast]

[FBIS Translated Text] In the mountainous Tlyaraty region of Dagestan, talks are continuing with the armed people blockaded there. However, today certain details have emerged in this story with many unknown factors. According to information from military sources, these people proved to be not arms smugglers, as was stated earlier, but Dudayev's militants-terrorists. The group includes trained saboteurs, explosives experts, and a radio operator. According to ITAR-TASS information, the militants penetrated into Dagestan with the task of demolishing a road bridge on the Russian-Azerbaijani border.

Municipal Power Bodies Being Formed in Chechnya

LD2807185995 Moscow ITAR-TASS in English 1834 GMT 28 Jul 95

[By Sharip Asuyev and Aleksandr Kharchenko]

[FBIS Transcribed Text] GROZNYY, July 28 (ITAR-TASS) — Every Chechen settlement will have its own budget formed with taxes.

A decision to the effect has been taken by the Chechen National Revival government to boost the solution of local problems — repairs of schools and hospitals, construction of roads and the like. In case the local budgets are insufficient, money will be allocated from the republican budget.

The division of powers between the republican authorities and regions is expected to raise the activeness of Chechen residents and help stabilization in the republic.

Kalmyk Police Chief Denies Chechen Persecution

LD3007164795 Moscow INTERFAX in English 1525 GMT 30 Jul 95

[FBIS Transcribed Text] ELISTA, July 30 (INTERFAX) — Deputy chief of the Yashkul District police department (Kalmykia) Vladimir Bolganov has said that the allegations by the representative of the community of ethnic Chechens and Ingushis in Stavropol about persecution against Chechens in Kalmykia "are not being confirmed by the investigation".

Commenting in an interview with INTERFAX on Sunday on an incident in Yashkul a short while ago during which two Chechens and one Kalmyk were injured, Bolganov denied the allegations about its inter-ethnic character.

"The Chechen community in the district, which has 846 people and which grew by one third after the beginning of the military operations on the territory of Chechnya, has never experienced any difficulties in its commercial and other activities which do not run counter to law," said the spokesman.

He said that it would be inadmissible to conclude that the dispute was inter-ethnic.

The incident which broke out near a commercial kiosk selling stiff drinks belonging to a local cooperative, developed into a mass fight curbed by policemen. The cooperative chairman Sultan Satuyev, a Chechen, as it follows from the statement of his compatriots in the Stavropol Territory, describes what happened as the result of persecutions on the part of the new leadership of the Yashkul administration.

North Ossetian Minister Reviews Security Situation

LD30071[illegible]2395 Moscow ITAR-TASS World Service in Russian 1120 GMT 30 Jul 95

[by Valeriy Shanayev]

[FBIS Translated Text] Vladikavkaz, 30 Jul (ITAR-TASS) — The operational and crime situation in the zone of the Ossetian-Ingush conflict remains comparatively stable. On the whole, it is controlled by the forces attached to the Russian Federation Interim State Committee for Elimination of the Aftermath of the Ossetian-Ingush Conflict and local law enforcement bodies. This assessment of the situation in the region was made today to the ITAR-TASS correspondent by Major General Georgiy Kantemirov, minister of internal affairs of North Ossetia.

He said that in the past 24 hours, no interethnic conflict situations have been reported. At the same time, tension prevails in Prigorodnyy district, where refugees and displaced persons are returning. According to the decree of the Russian president, over 600 Ingush families are to return to four population centers of this district. To date, 401 families have returned there.

The minister of internal affairs of North Ossetia considers that the situation in the conflict zone and throughout the Caucasus is extremely negatively affected by the events in neighboring Chechnya. Arms and narcotics are coming into the region, and Dudayevite emissaries are infiltrating and calling on the local populace to mount acts of terror against the federal forces. The mobile militia units and subunits of the Vladikavkaz frontier detachment are keeping a special check on the Georgian military highway, the Transcaucasus motorway, and narrow mountain paths. It is the inconspicuous high mountain paths that can be used by dispersed groups of Dudayev fighters to transfer to adjoining territories of the Caucasus.

Georgiy Kantemirov is convinced that the problem of peace in the Caucasus region cannot be resolved locally. The broad federal program "for unravelling the Chechen knot" will no doubt have a positive effect on the crime situation in the North Caucasus and will help in particular to bring order to Ossetian-Ingush relations. The complete disarmament of illicit formations and persons is necessary not only in the Caucasus but also throughout Russia's territory. In the course of the recently signed agreement between North Ossetia and

Ingushetia, the minister of internal affairs noted, the delegations of the two republics discussed terrorism and other criminal manifesations and consider it necessary to unite the efforts of law enforcement bodies to ensure the protection of the rights, liberties, and safety of citizens. Presidents Akhsarbek Galazov and Ruslan Aushev have instructed the law enforcement bodies of North Ossetia and Ingushetia to draft a plan of joint measures for stepping up the fight against crime and terrorism.

In conclusion Georgiy Kantemirov said that in the past 24 hours, not a single emergency incident has been reported in North Ossetia. In his opinion, this is explained by the greater attention of local inhabitants to the international soccer tournament now taking place in Vladikavkaz for the North Ossetian president's cup. The run-off elections to the republic's parliament being held in the towns and district centers and villages have also receded into the background.

Deputies of Former Chechen-Ingush Parliament Meet

LD2907141595 Moscow ITAR-TASS in English 1340 GMT 29 Jul 95

[By Aleksandr Kharchenko and Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, July 29 (ITAR-TASS) — A seven-member coordinating team was formed today at a meeting of former deputies of the former Chechen-Ingush parliament in Groznyy to prepare for a regular session of the former parliament.

In May-June 1990 the parliament had 170 deputies, including 142 representatives of Chechnya. The body was dissolved by force by Dudayev supporters in September 1991.

The meeting was attended by 58 deputies. The local OMON [Special Purpose Militia Detachment] prohibited the meeting to be open at 11 a.m. Moscow time in the local medical school with a reference to head of the Chechen National Revival government Salambek Khadzhiyev, former deputy of the former Chechen-Ingush parliament. Thus, the meeting was held at a private house.

The meeting participants noted that the parliament of former Chechen-Ingush republic remains the only legitimate power body of Chechnya. In the words of former parliament deputies-lawyers, the Committee of Chechen National Accord cannot adopt a new Chechen constitution and normative acts on organization and holding of the elections. It is authorised only to draft them. The meeting decided on the soonest session of former parliament deputies from Chechnya to adopt normative acts on the Chechen elections and make the government of Chechen National Revival legitimate.

The former deputies stressed they do not want to reanimate their former powers but just seek peace, tranquility and lawfulness in Chechya.

A co-chairman of the meeting was deputy head of the Chechen National Revival Government Gersolt Elmurzayev, and the meeting was attended by many members of the government and the Committee for National Accord. Ataman of the Groznyy division of the Terek Cossacks Nikolay Galkin was invited to attend the meeting but he left it under the pretext he was not authorised by the Cossacks to speak to the former deputies.

Former parliament chairman Doku Zavgayev did not attend the meeting.

The next session of the former parliament will be held in Groznyy.

North Ossetia-Ingushetia Talks Outcome Viewed

MM3107103295 Moscow ROSSIYSKAYA GAZETA (Weekend Edition) in Russian 29 Jul 95 p 2

[Report by Vladimir Lyubitskiy: "Victory Which No One Has Noticed"]

[FBIS Translated Text] Today, when all news summaries start and end with reports from Groznyy, few people have paid attention to the news that a meeting has been held in Vladikavkaz between the state delegations of North Ossetia and Ingushetia.

But the news is sensational enough: For the first time since the six-day war in October-November 1992, the leaders of the two republics, overcoming their "enemy complex," have entered into direct dialogue without mediators and have agreed on joint actions to overcome the consequences of the conflict.

For over two years (since November 1992), Ingushetia and North Ossetia figured in the press and in official documents as an emergency situation region. Every two months presidential edicts with the Federation Council's blessing extended the powers of the special organ of power created here — the Provisional Administration — and the joined forces of the army, Internal Affairs Ministry, and Internal Troops assigned to it and also of the General Prosecutor's Office. Now the state of emergency has been lifted and in place of the Provisional Administration a provisional state committee to eliminate the consequences of the conflict has been created. It is the committee which has been instructed to restore housing and social establishments and help refugees and enforced resettlers to return. But, understandably, to overcome the consequences of the conflict the conflict itself must also be eliminated. And no one can be more interested in that than the population — people who have experienced for themselves the tragedy of interethnic strife. It is gratifying that the peaceful aspirations of both peoples are beginning to be embodied in the political will of their leaders.

To say that the first direct talks proceeded without a hitch would be a lie: The reciprocal charges are too great, the pain of losses and suffering is too great, the path to peace too complex. But North Ossetia-Alaniya President Akhsarbek Galazov and Republic of Ingushetia President Ruslan Aushev this time were united on the main point: We must do everything to live in good-neighborliness, friendship, and cooperation. The example of Chechnya, R. Aushev noted, has shown once again that the solution of any problems must be sought on the path of talks.

The result of the meeting was the agreement on the implementation of the Russian Federation president's edicts on questions of eliminating the consequences of the conflict, signed by the sides. Its main provisions are adherence to the Russian Constitution and the renunciation of mutual territorial claims, the preparation of a program for the governments' joint work to normalize the moral and psychological situation in the republics enlisting figures of science, culture, and religion, the rejection of mutual recriminations and one-sided assessments of past events, the denunciation of terrorism, and the pooling of the law enforcement organs' efforts in the struggle against crime.

Noting the intolerably slow restoration of destroyed housing and other establishments, the participants in the talks asked the Russian president to accelerate the transfer to the provisional state committee of the functions of state client for construction and restoration work. These days, the joint telegram from A. Galazov and R. Aushev noted, it is essential to have about 500 billion rubles, of which only 39 billion have been earmarked for 1994-1995. Comparing these figures you cannot help thinking: Surely the people responsible for the execution of government decisions must know that "saving" on the elimination of trouble spots in general terms threatens Russia's state integrity?

However that may be having signed the agreement the sides have taken a tangible step toward each other.

Voronezh Governor Curbs External Grain Shipments

MM2807154995 Moscow ROSSIYSKAYA GAZETA in Russian 28 Jul 95 p 3

[Article by Gennadiy Litvintsev under the "Experiment" rubric: "Oblast Selfishness"]

[FBIS Translated Text] Aleksandr Kovalev, head of the Voronezh Oblast Administration, has introduced restrictions on exports of food grain and flour. They can now be sold outside the oblast only with the authorization of the "Voronezhagrokontrakt" corporation, which is responsible for food stocks.

But the situation in the fields is such that there will be no grain surplus. Because of drought the average wheat harvest will struggle to reach 10 quintals [per hectare].

In these conditions oblast selfishness is understandable. Of course, the administrative measures will hardly please the agricultural producers, who were hoping to make some money out of the shortage. Maybe there will be legal protests. Nevertheless the governor has no intention of backing down. There are elections coming in December, and getting back into this post will be difficult with empty granaries.

Incidentally, "Voronezhagrokontrakt's" monopoly on food purchases this year has been reinforced by economic means. Back in the spring the corporation concluded contracts for the coming harvest with farms, thereby contractually securing for itself 287,000 tonnes of food grain, 750,000 tonnes of sugar beet, 67,000 tonnes of sunflower seed, and so forth. The peasants were advanced 134 billion rubles [R]. The corporation got these advances from the oblast budget at an annual rate of interest of 67 percent.

These were not Hobson's choice contracts, although the fixed prices written into them are below the market price. For example, it was agreed that farms would get R400,000 per tonnne for wheat, R784,000 for buckwheat, and R125,000 for sugar beet. But these are the base figures. "Voronezhagrokontrakt" has pledged that the final settlement will be at Moscow Commodity Exchange prices minus 15 percent for credit.

The main thing is that without this financial and material help the farmers would have simply been unable to carry out their field work. You see, even before the sowing season started they received an advance of R46 billion, The corporation supplied farms with fuel and lubricants out of a R77 billion Russian Finance Ministry credit.

"We became monopolists reluctantly," "Voronezhagrokontrakt" General Director Vladimir Degtyarev says. "But only our corporation was offering farmers an advance."

Indeed, come the fall there are more than enough people wishing to buy food products. But there is nobody to help the peasants during the spring work. Letters were sent to 28 regions of the country proposing that they invest in producing the Voronezh harvest. Nobody responded. The Federal Food Corporation might have been a rival to the local procurement workers. But its oblast department only promised assistance. And contracts concluded with farms were broken by the corporation itself because of lack of money.

Yekaterinburg Election Has Wider Significance

MM3107155695 Moscow KOMSOMOLSKAYA PRAVDA in Russian 29 Jul 95 p 1

[Article by Pavel Voshchanov under the "Results of the Week" rubric: "Province Gone Fishing.... Moscow Weary of Big Politics but First Elections Looming in Province"]

[FBIS Translated Text] Yekaterinburg — A political lull has fallen over Moscow. Deputies have dispersed for their vacations. The president with his court has moved to Bervikha, where in the shade of officials-only oak forests he has been concentrating on writing momentous edicts. The premier has been traveling around the near abroad, and so the government met in a kind of limbo with nothing in particular to show for it. This is evidently why the past political week was almost an exact repeat of the one before — things were going on, but nothing actually happened. Generally speaking, this was to be expected: As soon as the election date was set the parliamentary recess would start and Moscow would cease to be the center of political activity. Everything would shift to the provinces.

One of the "hottest spots" in Russian politics today is Yekaterinburg. Russia's first gubernatorial elections are to be held here in a few days' times. To some extent they are a forerunner of what will happen in December, in the parliamentary elections. And this is why they should be looked at more closely. This is far from an event of local significance.

There are nine contenders fighting for the governorship in Yekaterinburg. Public opinion polls are occasionally published here, and, if they are to be believed, two people are out in front — former oblast "boss" E. Rossel, who was removed from office by presidential edict, and current incumbent A. Strakhov. Admittedly it is difficult to be clear about what all the ratings best reflect — science or pre-election propaganda. As yet it is difficult to separate the rivals on party lines. A much easier criterion is their financial backers. What attracts attention first and foremost? The timing of the elections. It is extremely unfortunate. Summer time, vacation time, dacha time. Not everybody here is confident that valid elections will take place at all. But the timing was agreed with the Kremlin. Maybe this is the explanation for the fact that the president, in making an exception for Yekaterinburg, agreed so readily to replace an "appointee" with an "electee." The risk to him is small: If the voters ignore the elections and do not agree to put off their own affairs for their sake everyone currently in post will stay there and the president, expressing regret for what has happened, will say: "I appointed them and will continue to appoint them!"

The probability of such a development of events is great since the local population has a pretty indifferent attitude to the gubernatorial elections. And the further you get from Yekaterinburg, the greater the indifference. The question "Will you go and vote?" got an affirmative answer today from only 24.5 percent of voters. Two factors are evidently dominant in the public mood: Either to support Rossel, the "father of the idea of the Ural Republic," or to opt for the present governor so that nothing changes. Or at least so things don't change as drastically as in previous years. You get a particular sense here that society's weariness with change is becoming one of the main factors in Russian politics.

An "odd couple" — retired general Lebed and the actor Pankratov-Chernyy — flew into Yekaterinburg recently. And if the general had something to say (his theme was "We want to live on our own land and by our own wits!"), the representative of the creative intelligentsia, answering a question as to why he supports Vice Governor V. Trushnikov, said: "I don't know him personally, but I've heard a lot of good things about him!" In general the election campaign is producing a quite a lot that is sad and funny. At a commercial kiosk I was given an "I'm backing Rossel" calendar as change. But they put my cucumbers in an "I'm backing Strakhov" bag. A new Urals currency seems to be emerging — things with Rossel's head printed on them and things with Strakhov's head printed on them. But how, strictly speaking, is this worse that the now half-forgotten "Yes. Yes. No. Yes."? [Yeltsin team's suggested answers to the four questions asked in the 1993 constitutional referendum].

Calls for 'Territorial Rehabilitation' Criticized

MM2807130295 Moscow ROSSIYSKIYE VESTI in Russian 27 Jul 95 p 1

[Article by Pavel Anokhin: "Share the Hills — Acquire More Ills" — first two paragraphs are ROSSIYSKIYE VESTI introduction]

[FBIS Translated Text] The "territorial rehabilitation" invented by the people's deputies of the former Russian Supreme Soviet provoked bloody internecine strife in the North Caucasus. In order to prevent it a moratorium on the redivision of territory between republics was introduced as legislation. It has expired. But this does not suit everyone. Attempts are again being made to return to the old and dangerous idea of "terrorist rehabilitation."

The ROSSIYSKIYE VESTI Editorial Board would point out that any alteration of the borders between components of Russia must be decided on the basis of the Russian Constitution. It determines the principles and mechanisms for resolving border problems.

The Russian law "On establishing a transitional period for state-territorial demarcation in the Russian Federation" expired 3 July 1995.

Some media immediately focused readers' attention on this with an ill-concealed intention "to fan the barely contained fire." In a number of pieces one clearly senses a desire to resuscitate the law "On the rehabilitation of repressed peoples," Articles 3 and 6 of which imply the rehabilitation of peoples deported in the Stalin era. For that very reason experts and politicians called it a "time bomb," which blasted the very complex and fragile interethnic relations in the North Caucasus.

As is known, the statutes on territorial rehabilitation led to the clash between Ingushetia and North Ossetia and created interethnic tension in Karachayevo-Cherkessia, Dagestan, Kalmykia, and Astrakhan Oblast. While it reestablished historical justice, the law "On rehabilitation..." at the same time upset the balance in relations between peoples living on the same territory and provoked nationalist leaders to extremist appeals and actions.

The law "On the establishment of a transitional period for state-territorial demarcation in the Russian Federation," adopted three years ago, declares a moratorium on territorial rehabilitation. By thus "freezing" the redrawing of borders it played a positive role by at least partially stabilizing the social and political situation in the region.

But its expiry will raise the question: What now?

Russian Federation Government Vice Premier Sergey Shakhray commented on the situation specially for ROSSIYSKIYE VESTI. According to him, both these laws have ceased to be valid, since they were adopted before the new Russian Constitution. "There is a special article in it," Sergey Shakhray said, "which states that borders between components of the Russian Federation can only be altered by mutual agreement between them. Therefore territorial rehabilitation is possible only if this accord exists. Any other way would lead to further bloodshed...."

Even the most implacable individuals have gradually started to appreciate this fact and have embarked on the path of compromises. Ingushetia and North Ossetia have taken the first cautious but promising steps toward one another. As is known, on 11 July they signed an agreement on the implementation of edicts of the Russian president on the elimination of the consequences of the Ossetian-Ingush conflict, in which they "renounce territorial claims on one another" and established a procedure for the return of refugees and displaced persons. According to the leaders of the two republics, the agreement marks the establishment of normal relations between the two neighboring republics.

North Ossetia President Akhsarbek Galazov believes that if this important political document is supported by practical actions by the presidents, the governments, and public organizations, then it will be possible to address the main task — signing a treaty this year on economic and cultural cooperation between North Ossetia and Ingushetia. "I regard as one of the main points in the document," A. Galazov said, "the accord on the need to carry out work in both republics on normalizing the moral and psychological situation and achieving qualitatively new relations between Ossetians and Ingush. People are tired of confrontation; they must work and bring up their children, and their security must be safeguarded."

The republic president finds the operational and crime situation in the Ossetian-Ingush conflict zone to be stable. According to him, the situation in four population centers in Prigorodnyy Rayon, whither Ingush refugees are returning, remains complex. Galazov announced that North Ossetia Internal Affairs Ministry subunits have tightened up their procedures. They are monitoring areas bordering on Ingushetia and Chechnya, all mountain roads, transport communications, and places where refugees are living, and there are around 60,000 of them in the republic. "Everything possible has been done," Galazov stressed, "to ensure that scattered groups of Dudayevite gunmen, who are intent on destabilizing the situation in the North Caucasus, do not infiltrate North Ossetia."

Samara Governor Criticizes Government, ROH Bloc

MK2907124895 Moscow KOMMERSANT-DAILY in Russian 29 Jul 95 p 3

[Unattributed report: "Mutiny on the Premier's Ship"]

[FBIS Translated Text] Samara Governor Konstantin Titov, who is also Chernomyrdin's deputy in the "Russia Is Our Home" [ROH] bloc, has harshly criticized the federal government and the ROH leadership. Titov was particularly displeased with Moscow's stubborn unwillingness to see elected — not appointed — deputies in the Federation Council, and its disregard of the rightful demands by the regions that the procedure for redistributing tax revenues should be altered. The governor also upbraided the ROH executive committee, which had invited neither governors nor their deputies in charge of economic matters to take part in a recent scientific and practical conference on economic issues. For this reason, according to Titov, the conference's concluding document cannot be acceptable to the provincial leaders. He suggested that the ROH's economic program should be significantly adjusted "toward attaining genuine — not declarative — federalism," and said that otherwise "there will be nothing for the Federation components in this 'Home' to do."

Serviceman Runs Amok at Far East Post, Kills Five

OW3107092195 Vladivostok Radio Vladivostok Network in Russian 0210 GMT 31 Jul 95

[From the "Lunch Hour Break" program]

[FBIS Translated Text] A tragedy has occurred on Popova Island. Serviceman Vyacheslav Bugakov opened fire with an automatic weapon yesterday morning on other members of his unit. Major Goloveznin, commander of the border post, and four other servicemen were killed. Six people were injured. Among those injured was the son of the post commander, who is presently in the Vladivostok city children's hospital. According to a report from the border district press office, an urgent successful operation was carried out on the boy yesterday and his life is presently not in danger. Yevgeniy Nazdratenko, Maritime Kray governor, visited him in hospital and expressed concern over the incident.

Serviceman Bugakov, who opened fire with an automatic weapon, was called up in Khakassia. After more than a year of service his relations with other servicemen remained distant. According to a group of officers who arrived on Popova Island yesterday, there were no irregularities in mutual relations in the unit and there was no evidence that Bugakov was physically harassed. Vyacheslav Bugakov has been arrested and an investigation is underway.

Maritime Kray Claims Russia's Choice Corruption

MM2807142695 Moscow ROSSIYSKAYA GAZETA in Russian 27 Jul 95 p 1

[Reports by Valentina Bratchikov and Natalya Kozlova under general heading: "Maritime Kray Waves Rolling In"]

[FBIS Translated Text]

Bad Hats from Gaydar's Party

Vladivostok — The Maritime Kray leaders are protesting the arrest of the tax police chief.

Maritime Kray Governor Yevgeniy Nazdratenko, Kray Duma Chairman Vladimir Vedernikov, and Vladimir Ignatenko, the Russian president's representative in Maritime Kray, have called the arrest of Major General Aleksandr Bondarenko, chief of the kray tax police administration, last week an act of gross tyranny. They expressed their categorical disagreement with these actions by the workers of the General Prosecutor's Office and the Federal Security Service. In an appeal to the mass media issued by the kray administration press department the arrest is linked with the revelation of the illegal income, concealed from the state, belonging to the "Fedzhi" financial group and totaling over 5 billion rubles. "It is not hard to guess," the appeal notes, "where the tax hidden from the state has gone, after all the 'Fedzhi' leadership and the leadership of the Maritime Kray department of 'Russia's Democratic Choice' are one and the same. It is since these machinations were uncovered that there have been sanctions against Major General Bondarenko."

As we already know, Bondarenko is being charged with supposedly taking part in the falsification of a case of bribery involving former Vladivostok Mayor Viktor Cherepkov. So far the case has not been definitively proven and the investigation itself has obviously been dragged out. According to kray Duma chairman Vladimir Vedernikov, first the case was rapidly closed by Yevgeniy Bakin, senior investigator for particularly important cases under the General Prosecutor's Office, who was in charge of it, and then assigned to him again. Logically, the Duma chairman believes, Mr. Bakin, having vindicated Cherepkov, now simply has to prove the guilt of his new suspects.

In the opinion of the kray leaders, Aleksandr Bondarenko enjoys a reputation in Maritime Kray as an honest and professional officer who stands guard over the law so his arrest has caused perplexity in the kray's law enforcement organs.

As for Viktor Cherepkov, according to a report by the Vladivostok "VVS" radio station today the disgraced former mayor is in Moscow where he holds a responsible post in the "Russia's Democratic Choice" movement. [Bratchikova report ends]

A Great Deal That Is False

The General Prosecutor's Office is interested not in A. Bondarenko's recent post but his preceding one.

The Russian General Prosecutor's Office information and public relations center has announced that Major General Aleksandr Bondarenko's arrest is connected with his previous activity as deputy chief of the Internal Affairs Administration for Maritime Kray administration for struggling against organized crime.

Aleksandr Bondarenko, who recently held the post of chief of the tax police department administration for Maritime Kray, has now been arrested and sent to Moscow for investigation and indictment.

Let us remind readers that last year the General Prosecutor's Office had to intervene in the investigation into the criminal case of bribery in the Vladivostok City administration. The prosecutor's office investigation group established at the time that the criminal case involving bribery of responsible city officials, including former mayor Cherepkov, was falsified. In November 1994 this criminal case halted on the grounds that he had been rehabilitated.

Bondarenko, like other participants in this criminal investigation arrested even earlier, is accused of fabricating evidence — that is deliberately false reports were organized and false witnesses and evidence of "bribes" were collected which were later found when Cherepkov's hosue was searched.

Apart from the former chief of the Internal Affairs Administration for Maritime Kray administration for combating organized crime, another three of his former subordinates were also arrested as being accomplices in the crime and an inhabitant of Krasnoyarsk Kray who had written a deliberately false report on Cherepkov was also arrested.

Economic Issues

Ministry 'Frantically' Finalizes Draft 1996 Budget

MK2907112495 Moscow SEGODNYA in Russian 28 Jul 95 p 2

[Report by Svetlana Lolayeva: "Sergey Shatalov: 'Budget To Be Submitted to Duma 31 July.' Finance Ministry 'Frantically Finalizing' Revenues and Expenditures"]

[FBIS Translated Text] As Sergey Shatalov, Deputy Finance Minister told your SEGODNYA correspondent yesterday, the draft 1996 budget will after all be submitted to the Duma before 1 August, within the time stipulated by the law. According to him, the final version of the draft federal budget will in all likelihood be submitted to the government and the lower house of the parliament on Monday, 31 July. As Mr. Shatalov put it, the Finance Ministry at the moment is "frantically and intensively working on the budget to finalize the items of revenue and expenditure." They are trying to figure out where more revenues can still be found and where the revenue forecasts had been overstated. The most difficult thing, in the deputy ministers's view, is cutting the expenditure items because "you wish to spend far more money than your purse allows." Thus, according to Sergey Shatalov, "we have to cut back on everything, and that is utterly painful."

While the Finance Ministry is frantically pondering which other expenditures can be cut back and where it can find additional revenues — in particular, an extra 1.5 trillion rubles to cover expenditure on VAT concessions granted by the recent presidential edict — the Duma is preparing to work on the draft budget. Mikhail Zadornov, chairman of the Duma Committee for Budget, Taxes, Banks, and Finances, said in an interview to your SEGODNYA correspondent that the work is going to start immediately after the final version of the draft budget is submitted. Meanwhile, a working group is being set up to work on the draft budget during the recess, so that it can go through its first reading in the Duma at one of its early sessions in October. Mr. Zadornov said that in a few days' time, Ivan Rybkin is going to sign a directive on the working group, which will include members of not only the Budget Committee, but also other Duma committees and factions.

In Mikhail Zadornov's view, two months — October and November — is certainly too short a time to consider a budget. Nevertheless, he says, the Finance Ministry deliberately decided on a short timeframe, since either the budget will be passed by the current State Duma or, in 1996, the country is not going to have any budget. Mr. Zadornov reckons that it will take the new Duma two or three months to set up the committees, to get all the procedures right, and to become familiarized with the budget. Only then will the presidential campaign be started — "not the best of times for passing a budget." Mr. Zadornov said he hopes, however, that the Duma will be able to pass the budget within this limited period of time, if "a united, consolidated stand on the draft budget has been worked out by the time of its first reading."

So far, Mikhail Zadornov's most serious concern has been the planned monthly inflation figure of 2 percent. Sergey Shatalov stated, however, that "there is a chance of achieving this," adding, though, that he could not guarantee that the intention to reduce the budget deficit to 4 percent and inflation to 2 percent would definitely be implemented.

Official Sees Problems With Wages, Living Standards

MK2907094495 Moscow SEGODNYA in Russian 28 Jul 95 p 2

[Report by Aleksandr Bekker: "The Cabinet Will Have To 'Rummage' in the Budget To Raise Minimum Wages and Pensions"]

[FBIS Translated Text] Vladimir Kosmarskiy, a leading staffer at the government's Center for Information and Social Technologies, stated that, unfortunately, the population's living standards are continuing to decline and, "everything seems to indicate that in the near future there will be no positive changes in this trend."

In April-June, real wages were about 70-75 percent of those last year. The same applies to per capita income: In April and May it stood at 87 and 97 percent respectively. This had an impact on the summary indicator — retail trade turnover — which has continued to fall, except in May, to 85-95 percent of the level over the same period in 1994. No less severe is the pension situation: In the first quarter, the total amount of pensions actually paid out was 82 percent of last year.

Alongside the decline in size, the structure of income utilization continues to deteriorate. For instance, this May expenditures on purchasing goods rose by 3-3.5 percent. The amounts spent on obligatory payments and fees have remained at last year's level, but the proportion of people's savings decreased: In May, deposits in rubles accounted for 7.3 percent of total outlays, which was 1.4 percent less than in May 1994; 9.7 percent, compared to 12.5 percent last year, was spent on buying foreign currency. On these grounds, Mr. Kosmarskiy defined the income situation as having reached the limit: "The population is spending virtually all income received on day-to-day consumption; and savings have been almost entirely exhausted."

The scientist is somewhat more optimistic about the situation on the labor market. Over the past several months, the growth in unemployment was "virtually zero." Mr. Kosmarskiy chose not to join the government members who are interpreting this fact as stabilization in the production sector. "It is too early to draw such an unambiguous conclusion," he said.

He dwelled also on the government's recent decision to raise minimum wages and pensions. As for pensions, their total rise will not exceed 5 percent, and, in Mr. Kosmarskiy's opinion, this will not affect the plans of financial stabilization to any major degree. Such a conclusion is drawn on the basis of Pension Fund data indicating that in the first quarter the fund saved 5 percent of its money, which will be sufficient for making such a gift to pensioners. The situation regarding an increase in minimum wages is somewhat different. Mr. Kosmarskiy believes that the government has no hidden money put aside here, and it will have to look for these funds in the budget, trying to find some source other than inflationary financing.

New Edict Targets Private Savings To Execute Budget

MK2907122695 Moscow KOMMERSANT-DAILY in Russian 28 Jul 95 pp 1, 3

[Report by Natalya Samoylova: "An Edict on 70 Trillion"]

[FBIS Translated Text] Boris Yeltsin's edict "On Additional Measures To Enhance the Efficiency of Investment Policy in the Russian Federation," which appeared yesterday, destroyed what has recently become the accepted view that the times when the president played an active role in formulating the country's economic legislation are now history. Following the nongovernmental pension funds, which were legislatively born in September 1992 under a presidential edict, investment share funds, which are quite common in the West where they are becoming a major financial instrument, have gained a legal basis in Russia as well. However, in this instance the authorities are primarily concerned not about a financial market development strategy but about less lofty things — the 70 trillion rubles and $9 billion held by Russia's population.

These figures were cited by [Premier] Viktor Chernomyrdin in his 19 July speech in parliament. Taking a maximalist view, it can be maintained that this sum is the prime objective of the edict. To attract the funds of small private investors by encouraging them to invest in production or (which is more likely) state securities is both the task of and the rationale behind the new edict. Its history is exceptionally rich.

Drafted early this year, the share funds edict was not made public until mid-summer. This delay, as well as the sharply increased activity on the part of its authors from the Federal Securities Market Commission, is easy to explain: The virtual stagnation of the stock market does not allow the government budget program to be implemented by means of existing financial instruments. An urgent need has emerged for a mechanism capable of attracting the small investor (things are more tricky with the large investor). According to Presidential Economics Adviser Aleksandr Livshits, the edict creates a normative framework for a new financial institution — the share fund, which can attract the savings of both private individuals and corporate entities. Premier Viktor Chernomyrdin's 19 July statement in parliament about the size of private individuals' savings — 70 trillion rubles and $9 billion — speaks of the potential of the inconspicuous small investor. Naturally, from the government's point of view, this investment potential has not yet been used as it should. According to the Russian Marketing Association, investment demand in Russia has already reached $25 billion. The supply, however, is ridiculously small.

Under the edict, investment activity can now be conducted by creating investment share funds. The investment share will be a registered security attesting to the investor's right to part of the fund's net assets, in proportion to his share. The procedure for the redemption of shares by the managing company depends on whether the fund is open or periodic: If the fund is an open one, the redemption must be effected within 15 days; if it is periodic, it should proceed in line with the fund's internal rules, but at least once a year. From the point of view of the potential investor-shareholder, investment protection has grown sharply because the investment share is a registered security. Furthermore, the investment company assumes liability for the fund's obligations (if they have emerged as a result of the fund's property management) toward third parties. Property stocktaking and property management control, as well as the maintenance of the shareholders register, is handled by a specialized depositary.

Commenting on the document, Vadim Mukhin, chief of the First Voucher Bank Investments Department, said he believes, as a practical person, that until all the subordinate legislation is adopted by the Federal Commission, it is very difficult to evaluate the prospects of the new financial institution. In his opinion, even the edict has some drawbacks. The main one is that the document does not provide for a clearcut protection against double taxation. This was in fact one of the most attractive features about the share funds. It is quite clear how taxes will be paid by the managing company and the depositary on their commissions, but nothing is said about taxing the fund's or the shareholders' incomes. Another flaw is that stock market operators will be insufficiently informed about the actual activities of the managing company. The company is instructed to publish the fund's and its own balance sheets only for each fiscal year, while information about the investment programs and changes in the fund's property structure is to be published every six months. It is not indicated that the data will be open at any other time.

All the questions arising will possibly be answered by the Federal Securities Market Commission.

Ministry Raising New Loans, Seeking Tax Increase

MM2807135295 Moscow IZVESTIYA in Russian 27 Jul 95

[AFI report: "Finance Ministry Ready to Issue New Bonds for Population and Pressing for Increase in VAT"]

[FBIS Translated Text] The Russian Finance Ministry intends to issue so-called "savings loan" bonds for the population 1 September. The income from these ordinary "coupon-type bonds" will be equivalent to the income from federal loan bonds (114-140 percent per year, according to the figures as of late this week). The Finance Ministry intends to place the new securities via the Russian Savings Bank network. It is quite possible that the bonds will also be sold via other banks. The Finance Ministry is also proposing to abolish the ring-fencing of money used for wages 1 January 1996 and will press for an increase in the rate of value-added tax from 20 to 21 percent.

Zadornov Reports on Inflation Index 'Fiasco'

LD3107092295 Moscow Radiostantsiya Ekho Moskvy in Russian 0800 GMT 31 Jul 95

[FBIS Translated Text] The government's program of financial stabilization for 1995, which counted on a 3-5 percent monthly rise in inflation, has ended in a fiasco because this index will probably be no less than 8 percent. This statement was made today to the Financial Information Agency by Mikhail Zadornov, head of the State Duma budgetary commission. According to him, the strategic aim of the government to sharply reduce the rate of inflation was not supported by the actual efforts of the cabinet. Also, a substantial part of the budgetary expenditures are not being financed by the Ministry of Finance. At the same time, a number of items that were not stipulated are being financed.

Communications Minister Views Privatization Program

MK2907104895 Moscow KOMMERSANT-DAILY in Russian 28 Jul 95 p 9

[Unattributed report under the "Journal" rubric: "Russian Communications Minister Has Completed Privatization Program"]

[FBIS Translated Text] "The process of converting Russian public utilities dealing with electronic communications into joint-stock companies has been virtually completed," Communications Minister Vladimir Bulgak said in his report at yesterday's meeting of the Russian Federation Government. The Russian Federation Government's decree of December 1992 established a single procedure for converting communications enterprises into open-end joint-stock companies, whose controlling block of shares was to be kept in federal ownership. As of today, Bulgak said, 90 out of every 100 public utilities dealing with electronic communications have become joint-stock companies. Over the past two years the Communications Ministry has issued 1,691 licenses authorizing their holders to carry out operations in various areas of communications, including 900 licenses in the area of electronic communications and over 700 licenses for the right to broadcast television and radio programs (statistics as of 1 April 1995). At this time, there are 120 operators on the Communications Ministry's lists who were given licenses authorizing them to set up cellular and radio telephone networks. The number of cellular network users has increased from 6,000 in 1992 to 27,700 in 1994.

Committee 'Cautious' of Plant Takeover by 'Gazprom'

MM2807164695 Moscow IZVESTIYA in Russian 28 Jul 95 p 1

[Report by Sergey Leskov: "'Gazprom' Wants To Crank Up Declining 'Rybinskiye Motory'"]

[FBIS Translated Text] On 27 July, talks were held in Rybinsk between the leadership of the "Gazprom" Russian joint-stock company, the State Committee for the Defense Industry, Yaroslavl Governor Anatoliy Lisitsin, and Valeriy Shelgunov, recently appointed general director of the "Rybinskiye Motory" joint-stock company. The talk was on an unprecedented subject — the transfer to "Gazprom" of the controlling block of shares in Russia's largest plant for the production of aircraft engines, which is under federal control, about which a preliminary agreement has been signed.

"Rybinskiye Motory" produces 100 percent of the engines for the Il-76 and Il-82 and over 75 percent of engines for the Tu-154. But its prominent place in the sector in no way helps the enterprise to flourish financially. Moreover, since the recent appointment of the new director it has emerged that "Rybinskiye Motory" is bankrupt, which the previous leadership did not tell the shareholders. The State Committee for the Defense Industry, like any state structure, today cannot back up the enterprise's financing to a sufficient extent.

In this situation "Gazprom's" deep pocket could be truly salutary for the enterprise. Moreover, the influential "Gazprom" will find it easier to deflect the constant claims of the demoted director Valeriy Anikin, from whom the State Committee for the Defense Industry can obtain no satisfaction.

"Gazprom" itself is interested not so much in aircraft engines as in "Rybinskiye Motory's" incidental output — gas turbine installations for ground use employed at many deposits. "Gazprom" agrees to finance this project and to take part in the creation of aircraft engines only on condition that it is presented with the 37-percent package of shares under federal control. This idea has been worked on for about six months and according to confidential sources Rem Vyakhirev managed to persuade Viktor Chernomyrdin of the expediency of this step.

But the position of the State Committee for the Defense Industry is quite cautious. The committee believes that the state's interest lies in retaining control over the enterprise, which produces output safeguarding national security. These arguments played a decisive part in the period of keen confrontation with V. Anikin, who wanted to get the controlling block of the enterprise's shares for the plant administration. But history is dialectical: Having overthrown one adversary the State Committee for the Defense Industry got in its place a far more serious opponent with essentially the same intentions. But whatever fears were voiced only "Gazprom" is prepared to give real money to the declining "Rybinskiye Motory," which predetermines the fate of the matter.

IZVESTIYA has frequently addressed the contradictory privatization processes at "Rybinskiye Motory." The situation is still extremely intricate. In Rybinsk right now there is the massive selling off and buying of shares, which could be concentrated in the hands of as yet unknown structures. For this reason, the proposals to divided the 37 percent state block into parts and sell it under separate investment programs threatens finally to remove from control the sector's largest enterprise.

Foreign Trade Turnover Increases Over 20 Percent

LD3107091895

[FBIS Editorial Report] Moscow ITAR-TASS World Service in Russian at 0742 GMT on 31 July broadcasts a five-minute report on Russia's foreign trade turnover. It was $56.4 billion in the first half of this year, up 20.5 percent on the same period of last year, ITAR-TASS news agency was told at the Ministry of Foreign Economic Relations. The figures are for officially-recorded transactions and do not include shuttle traders.

Turnover with CIS countries was up 10.8 percent to $12.2 billion and was $2 billion in the black. With the rest of the world, turnover was up 23.5 percent to $44.2 billion, and was $12.3 billion in surplus.

Russian exports during the first half-year rose 24.2 percent year on year to $35.4 billion. Foreign Economic Ministry analysts attributed the increase to continuing relaxation of foreign trade controls in Russia, the scrapping of quotas and licences for raw materials, and the abolition of the special exporter list. Export values were also boosted by higher world market prices for many raw materials traditionally supplied by Russia.

Imports in the first half-year were up as well, by 14.8 percent to $21 billion. European countries accounted for 52 percent of imports to Russia, CIS countries 24 percent, Asia 14.6 percent, America 8.6 percent, and Africa and Australia less than 1 percent, the agency was told at the Ministry of Foreign Economic Relations.

Russian, Chinese Businessmen Agree To Cooperate

LD2807082195 Moscow ITAR-TASS in English 0654 GMT 28 Jul 95

[By Evgenya Lenz]

[FBIS Transcribed Text] VLADIVOSTOK, July 28 (ITAR-TASS) — A congress of the business circles of Russia's Far East and China has ended with the signing of a Memorandum on the development of economic cooperation.

The International Congress, held here in recent days, was organized on the initiative of the Economic Studies Centre to China's Council of State, which is concerned over the inadequate introduction of commodities to Russia's Pacific coast from Central China.

The Chinese industry and the economy at the Congress were represented by about 70 chemical-industry, mining, metalworking and agricultural companies, export-import trade and service associations.

During the two-day Congress the businessmen got answers to most diverse matters concerning the economy of the territory. Apart from general subjects dealing with the problems of and prospects for trade between Primorye (Maritime Territory) and China as well as the investment policy in the Far East, businessmen took interest in the practical activities of foreign companies in Russia.

Thus, Chinese guests familiarized themselves with the procedure for the registration of joint ventures in the territory with 100 per cent foreign capital investments, and the formalities concerning visas, invitations, visa support and passports.

Taiwan Official Comments on Trade Relations

LD2807150495 Moscow ITAR-TASS in English 1450 GMT 28 Jul 95

[By Andrey Kirillov]

[FBIS Transcribed Text] MOSCOW, July 28 (ITAR-TASS) — Taiwan is growing into a major foreign trade partner of Russia, still there has been no breakthrough in bilateral relations, office head of the Taipei-Moscow coordinating commission for economic and cultural cooperation Lou Lung [name as received] told ITAR-TASS.

In the first half of this year, the Russian-Taiwan trade amounted to 972.8 million dollars with the lion's share of Russian exports at 886.2 million. In January-June Taiwan sold 86.6 million dollars worth of goods to Russia. The Russian Federation is supplying steel and steel rolled products, timber, chemical raw materials and fertilizers. Most of its purchases are clothing, sports footwear, electronics and household electronics.

In the opinion of Taiwan experts, the bilateral trade may reach two billion this year as against 1.2 billion in 1994. Ukraine ranks second in the list of Taiwan partners in the former Soviet republics. The bilateral goods turnover of Taiwan and Ukraine reached 102.3 million dollars in the first half of this year.

Within two years of activities of the Lung office, the Russian-Taiwan commerce has been boosted. But the Taiwan business community is still afraid of the Russian market, political instability, imperfection of the investment and tax legislation and a high crime rate.

Commenting on the current relations with Taiwan, a representative of the Russian Foreign Ministry said that the Russian government still recognizes only China with a government in Beijing. However, this stand does not hamper the development of business relations with Taiwan.

Metal Exports Hit by High Inflation, Ruble Rate

MK2907094095 Moscow DELOVOY MIR in Russian 28 Jul 95 p 1

[Report by Moisey Gelman: "Supplier of Metals to the World"]

[FBIS Translated Text] The future of the metal product markets — domestic and foreign — was discussed at a routine meeting of the Russian State Metallurgy Committee's collegium. Since production in the main domestic metal-consuming industries has fallen three to four times against 1990, the consumption of metals has decreased correspondingly. These are, however, average figures. As for the consumption of strategically important aluminum, copper, nickel, and zinc, this has fallen to way below 10 percent. If it were not for the rise in exports, the domestic metallurgy sector would have passed away. Its production has ceased to decline and, since the end of the last year, it has started to rise slowly. Although this rise so far does not exceed 10 percent, it shows a steady pattern.

To strengthen our position on world markets, we need to maintain world standards and endeavor to manufacture competitive products. So far, this has been achieved only with respect to primary metals and rolled products of the simplest kind. For this reason, the Russian ferrous metallurgy industry, after having tripled its exports, is presently the world's second largest exporter. Russia remains a major exporter of some nonferrous metals (aluminum, 25 percent; nickel, 20 percent; and copper, 11 percent). Metal products are exported mainly to Southeast Asia, predominantly China, although most of our traditional markets in this part of the world have been lost.

At present, Russian metal exports account for over one third of the country's foreign currency earnings. Last year, $5 billion was earned from selling nonferrous metals alone. This can be done largely by means of so-called tolling — smelting metals from raw materials supplied by the foreign customer.

Rising prices for the main nonferrous metals and the rising ruble exchange rate, however, are diminishing export efficiency. In addition, prices on world metal markets are stabilizing. Given the increasing inflation and the "pegged" ruble exchange rate, in a few months' time, the export of metals will become unprofitable.

At the same time, the export of Russian metal products is restricted by rigid quotas. Antidumping measures are also often used against our exporters, and these are far from always justified.

It is predicted that Russia's share in metal exports will decrease. Most ferrous metallurgy enterprises have already stopped exporting cast iron because it is unprofitable.

The solution is to increase the production of competitive, highly-finished metal products such as pipes, which are in enormous demand on the domestic market, too, although the problem is that many of our buyers are insolvent. Presently in Russia there are various underground pipelines in operation, with a total length of 2 million kilometers, and by 2000 more than 50 percent of them will be worn out. Already today, there are over 1,500 accidents a month because of corrosion. Therefore, for safety reasons, nearly 8 million tonnes of metal pipes a year are already required to renovate main pipelines, whereas the potential output of them is 7 million tonnes. Moreover, what is needed are steel pipes with protective coatings, which account for only 6-7 percent of the entire production.

Thus, for the sector to survive, we need to improve the quality of our metal products and refine the market mechanisms. The essential measures are listed in the decision made by the collegium. These include extending tolling practices to rolled metal products.

English Study Shows Fall In Aluminum Usage

MS2807123795 London FINANCIAL TIMES in English 28 Jul 95 p 29

[FBIS Transcribed Text] Russia's usage of aluminium dropped by 70 per cent between the break up of the former Soviet Union in 1991 and 1993, according to a study prepared for the International Primary Aluminium Institute [IPAI].

During that time exports of aluminium from Russia jumped by 125 per cent, which enabled the country's smelters to maintain a reasonable level of production.

According to the IPAI study, Russia's aluminium consumption plummeted from 2.249m tonnes in 1991 to only 657,000 tonnes in 1993. Exports, meanwhile, rose from 961,000 to 2.2m tonnes. Total output was down by only 11 per cent, from 3.21m to 2.859m tonnes.

Russia's aluminium output reached a post-1980 peak of nearly 4m tonnes in 1988, when exports (including those within the eastern bloc) totalled only 680,000 tonnes.

The study was completed for the IPAI by a Moscow-based research organisation and the institute says that, while it cannot vouch for the accuracy of the data, its working group set up to oversee the work, "met with the researchers involved and was convinced that they had a sound knowledge of the subject. As a result, the IPAI is confident the study shows the distinctive pattern of former Soviet Union (aluminium) consumption during the stable years of the 1980s and identifies where usage collapsed as the Russian economy moved through the process of reform."

There are, however, no separate details about the use of aluminium by Russia's huge military and defence industries. These are included in various end-use groupings such as transport, general engineering and electrical.

Nevertheless, the IPAI insists that the study provides "a basis for a better understanding of the aluminium industry in the former Soviet Union".

The first part of the study covers the years 1980 to 1990 and relates to consumption in the whole of the Soviet Union. The second part is concerned with consumption in the Russian federation alone, from 1989 to 1993.

Vice Premier Zaveryukha Discusses Grain Prices

LD2807181895 Moscow ITAR-TASS in English 1737 GMT 28 Jul 95

[By Vyacheslav Bondarenko]

[FBIS Transcribed Text] ROSTOV-ON-DON, July 28 (ITAR-TASS) — The price set by the government this year for federal grain purchases is 700,000-800,000 roubles per tonne, Russian Vice-Premier Aleksandr Zaveryukha told a meeting of Rostov agricultural heads.

Zaveryukha said it is an average world price and the government will use it to support domestic agricultural producers.

Despite severe droughts, the government hopes for a harvest of 75-80 million tonnes and its full sufficiency for domestic needs.

The governmental agrarian policy has two priorities — increased efficiency of land cultivation and better state support to domestic agricultural producers, Zaveryukha said.

The Rostov farmers complained of delayed payment for their products, the huge gap between industrial and agricultural prices, inconsistent reform in the agro-industrial complex and reduced agricultural production.

International Affairs

Joint Ukrainian-U.S. Military Exercises End

LD2907140695 Moscow INTERFAX in English 1314 GMT 29 Jul 95

[FBIS Transcribed Text] NIKOLAYEV, July 29 (INTERFAX-UKRAINE) — The joint Ukrainian-American exercises Marine Infantry's Peacemaking Mission-95 will conclude on Saturday [29 July] at the Shirokolanovskiy test range in Ukraine's Nikolayev region.

The press service of the republic's Defense Ministry reported to INTERFAX-UKRAINE that on July 28 participants of the exercises conducted a complex training having stopped the offensive of "extremist groups" in a hypothetical sea state Kimeriya.

Having received an order to fulfill a combat task commanders of mariners' companies of Ukraine's and America's Navies advanced their detachments to the start line. Simultaneously with the movement of military vehicles Ukrainian mariners landed their air borne forces which fulfilled the task on fire suppression of "extremists" together with the main forces.

During the offensive American and Ukrainian mariners were forced to repulse the adversary's counterattacks. Ukraine's naval aviation supported the coalition forces in the most critical moment.

Commanders of these exercises, deputy commander of the Ukrainian Navy Rear Admiral Nikolay Kostrov and Colonel of the U.S. marine infantry Ron Fleming gave a high estimate to the operations of mariners of both countries.

They also pointed to a good organization of the exercises and efficient methods of preparatory training of Ukrainian armed forces for the joint peacemaking operations as rapid reaction forces.

After the active stage of the exercises was concluded, participants of the exercises took part in a sport holiday and enjoyed a cultural program.

U.S. Official Discusses Aid, Investment

LD2907092395 Kiev Radio Ukraine World Service in Ukrainian 0500 GMT 29 Jul 95

[FBIS Translated Text] The United States is ready to provide Ukraine with the necessary assistance and credits, to be channeled into concrete projects, David Lipton, U.S. deputy assistant secretary of the Department of the Treasury, said at a meeting with Anatoliy Kinakh, Ukrainian deputy prime minister for industrial policy. The U.S. official was also acquainted with the course of economic reforms in Ukraine.

At the meeting, Anatoliy Kinakh emphasized that the democratic and independent Ukraine is an open society whose legislation provides comprehensively for foreign investment.

Jordanian Chamber of Commerce Signs Accord

LD2907164095 Kiev UNIAN in Ukrainian 1515 GMT 29 Jul 95

[FBIS Translated Text] Kiev, (UNIAN) — The Ukrainian Chamber of Commerce and Industry and the Jordan Federation of Chambers of Commerce and Industry signed a cooperation agreement during a visit by a Ukrainian Government delegation, the Ukrainian Ministry of Foreign Affairs press center told UNIAN.

The head of the delegation, Kostyantyn Hryshchenko, deputy foreign affairs minister, received a personal invitation from the prime minister of the Hashemite Kingdom of Jordan for the Ukrainian foreign minister to pay an official visit to Jordan at the end of October 1995 to attend the Amman economic forum.

Finalizing Agreements on Black Sea Fleet Begins

LD2807195895 Moscow INTERFAX in English 1802 GMT 28 Jul 95

[FBIS Transcribed Text] KIEV, July 28 (INTERFAX-UKRAINE) — A joint Russian-Ukrainian commission began finalizing two bilateral agreements, on dividing up the formerly Soviet Black Sea Fleet and on the status of Russia's Black Sea Fleet in Ukraine, in Kiev on Friday [28 July].

The commission had been created under the Sochi agreements on the Black Sea Fleet signed by the Russian and Ukrainian presidents on July 8.

The Ukrainian government's press service told INTERFAX-UKRAINE that only some members of the commission were in Kiev at the moment. The rest will continue the work in Moscow, as agreed on by Russian Prime Minister Viktor Chernomyrdin and his Ukrainian counterpart, Yevhen Marchuk, at a regular round of talks on the Black Sea Fleet in Moscow on July 26.

Their next meeting, scheduled for August 2, will determine which of the prepared agreements are to be signed or initialled.

Marchuk, head of the Ukrainian delegation to the talks, had supported the idea of the fleet leasing military installations on a long-term basis. This would help upgrade their infrastructure, he added.

Ukraine insists Russia's pull the Black Sea coastal units from Crimea.

Marchuk Discusses Moscow Visit, Monetary Reform

LD2807191595 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 28 Jul 95

[FBIS Translated Excerpt] Ukrainian Prime Minister Yevhen Marchuk held a news conference on the outcome of his visit to Moscow on 25-26 July. Our colleague Anatoliy Komirenko reports.

[Komirenko] The course of the visit and its results were the subject of the prime minister's news conference. He also answered a number of questions from journalists regarding the formation of the government, monetary reform in Ukraine, reaction to the sad events on St. Sophia Square at Patriarch Volodymyr's funeral and other issues.

The delegation's visit to Moscow had been planned ahead, Marchuk said.

[Begin Marchuk recording] Our aim was to finalize certain parts of the Sochi agreement on Black Sea fleet. Apart from this, we discussed a number of other issues concerning Ukrainian-Russian relations, first and foremost, economic ones. [passage omitted] [end recording]

[Komirenko] The problems standing in the way of economic cooperation between the two countries require Ukraine and Russia to continue negotiations not only on the Black Sea Fleet. This is why, the Ukrainian premier said, the following documents are being finalized.

[Begin Marchuk recording] These are agreements on diplomatic representations, completion of the Tavriya recreation facility, cooperation in accident relief operations, immigration control and immigrants' rights, establishment of the Ukrainian-Russian border, private travel across the border, establishment of a transnational company, cooperation in (?mercury) waste recycling, cooperation in prevention of industrial accidents, natural disasters and elimination of their aftermath, cooperation in the use of outer space, scientific and technical cooperation, and cooperation in the construction and modification of new aircraft, AN-72, AN-74, and AN- 75.

[Komirenko] Yevhen Marchuk spoke in detail about the interstate documents signed in Moscow the day before.

[Marchuk] Four agreements were signed, which can be commented on. I would only like to say in brief that all these agreements — the agreement on cooperation in the sphere of culture, science and education included — are of extremely great significance to us because, as you know, this is connected with many trends not just in the humanitarian sphere but with problems facing specific people. This refers to mutual recognition of diplomas, the procedure of entering a college, the joining of our scientific potential, and the like. This also refers to cultural centers, the restitution of cultural values, and many other issues that are quite important in this sphere.

This is a framework agreement; in other words, it sets out the signing of a whole number of specific agreements. It also precedes a general political agreement. You probably remember that the general political agreement, which was only initialled, contains an article setting out the signing of the agreements like the one which has already been signed with Russia. [passage omitted]

Rather serious and especially important to us is the agreement on the environment protection. [passage omitted]

One of the agreements signed is the agreement on mutual use and operation of oil pipelines. We have a huge — more than a 1,100 kilometer-long — pipeline across Ukraine, which is almost not functioning: the Samara-western direction pipeline and another one, a smaller pipeline. Until now we could not reach an agreement on pooling efforts in order to operate it jointly.

I again emphasize that this agreement is extremely advantageous to us, because, as a matter of fact, at present we earn almost nothing, just a trifle, if expressed in terms of percentage, of what we could have been earning. And following this agreement - [pauses] Even if we take dozens, even dozens of thousands of hectares of land, then just the payment for the use of that land would amount to quite a large sum, to say nothing about the relevant percentage for the oil or light oil products, the more so that this pipeline has not been used for almost two years: many of its installations have become unsafe, more than 200 kilometers of pipes should be replaced, and without Russia's participation... [pauses] But the main thing is that it is not our gasoline or oil but Russian oil, kerosene, and so on, these are mainly oil products, that are transported through the pipeline.

Therefore, the agreement is to our advantage from all aspects. It was not easy to sign it, there were many complicated debates but we agreed on mutually acceptable conditions — this is not a transfer of ownership but mutual use of the pipeline by Ukraine and Russia.

Also signed was the framework agreement on the principles of setting up Ukrainian-Russian financial and industrial groups. Although the law on financial and industrial groups has not yet been passed in the second reading, I would like to say in advance that this is a framework agreement called: On the Main Principles of Setting Up Ukrainian-Russian Financial and Industrial

Groups. It in no way runs contrary to the current legislation and poses no threat whatsoever to Ukraine's national interests, as some people claim. In other words, the adoption of the law in the second reading — and I hope that the Supreme Council will pass it, will not run contrary to this agreement. [end recording]

[Komirenko] Journalists were asking the premier on when the Cabinet of Ministers, which he heads, would be finally formed. His answer was: In the next few days.

Regarding the forthcoming monetary reform and the introduction of the hryvna in Ukraine, he said:

[Begin Marchuk recording] Monetary reform is a complicated and rather comprehensive problem. It will not be a bolt out of the blue. The president said this long ago and mentioned a provisional date, and everything is going on at a normal pace. Quite a few preparatory measures of both financial and financial-credit nature are to be taken: the administration of credits, organizational measures, and banking procedures. We have a plan of action. We hold sittings and make gradual progress. In the coming few days chairmen of state administrations will be invited to Kiev. Under a presidential decree the administrations are instructed to set up relevant commissions in the regions. In other words, a normal, planned preparation for the monetary reform is under way. When will it be carried out? The president said it would possibly take place by October. [end recording] [passage omitted]

Marchuk on Relations With Russia, Crimea

WS3107084595 Kiev KIYEVSKIYE VEDOMOSTI in Russian 26 Jul 95 p 3

[Interview with Prime Minister Yevhen Marchuk by KIYEVSKIYE VEDOMOSTI Simferopol correspondent Tatyana Korobova; place and date not given: "Yevhen Marchuk: The Date of Yeltsin's Visit Will Be Determined by Presidents. Prime Ministers Should Remove Principal Problems" — first paragraph is KIYEVSKIYE VEDOMOSTI introduction]

[FBIS Translated Text] The arrival of Yevhen Marchuk in Crimea, on the eve of his Moscow visit scheduled for 26 July, has determined the subject of this interview. The prime minister devoted 30 minutes almost exclusively for KIYEVSKIYE VEDOMOSTI.

[Korobova] Does Ukraine feel itself weaker today than it felt yesterday, and will Moscow not take advantage of the weakening of Ukraine's rears? I have in mind the hitherto unprecedented mass riots in Crimea and the tragic events in Kiev....

[Marchuk] Any weakening of Ukraine's position is absolutely out of the question, and we do not feel any similar expectations on the part of Moscow. A wide range of issues has been proposed for negotiations: the problem of the Black Sea Fleet; the development of further economic integration of our countries and cooperation in the sphere of science, culture, and technology; the mechanism for creating financial-industrial groups; the issues of ownership.... It is also planned to discuss the prospects for involving large business structures in our economic relations. The point is in transferring some part of our problems to commercial organizations, for instance, issues connected with the oil supplies to Ukraine and the payment for gas. According to a preliminary agreement, it is planned to single out several financial-industrial groups and prepare appropriate documents. One Ukrainian-Russian financial-industrial group, which deals with aircraft engines, has already begun operating. As of now, we have prepared three more projects, but in the foreseeable future we plan to launch at least 10 financial-industrial groups, transnational companies, and joint ventures. In addition, Ukraine has worked out about 50 proposals to restore the old economic ties and create new ones. A natural process is under way, and internal problems on both sides should not weaken it.

[Korobova] The Black Sea Fleet is a common problem. This sore spot in Russian-Ukrainian relations has not been healed in either Yalta dachas or Sochi hotels.

[Marchuk] In a telephone conversation with Prime Minister Chernomyrdin, we have agreed that the Black Sea Fleet will be a component of our negotiations. The Russian president, as you know, has sent one of the draft agreements to the Ukrainian president. Some of our draft agreements have already been transferred, some will be transferred now. Both sides understand well, however, that it is impossible to eliminate all problems at once. Many problems are subject to different technologies for resolution, which range from parliamentary ratification to interdepartmental, internal or joint normative acts. Let us take, for example, such a difficult problem as Crimean land and Russia's military structure. Land is a national wealth everywhere, but Crimean land is priceless. Therefore, 54,000 hectares of Crimean gold-bearing land under the military land is an inadmissible comfort. I am not inclined to force the resolution of this issue, but one cannot expect that this problem will resolve itself. Ukraine intends to take as much gold- bearing land from the military structures (including Ukrainian ones) as possible, leaving only an indispensable minimum. Aside from this, the military structures in Crimea are using many facilities that can be transferred to the national economy. These include piers, harbors, and repositories. It is necessary to find sensible use for everything that is not being used or is causing losses.

We may possibly sign some agreements on the Black Sea Fleet to gradually move further. In particular, we have to resolve on how basis compensation will be effected — paid directly as a share for housing construction, or included in Ukraine's debt for gas. The problem of the Black Sea Fleet will continue to exist for a pretty long time. However, the most important thing is that the Ukrainian and Russian presidents have provided the key and determined the direction for resolution of the topic. The problem must be resolved, because now it is mothballed. There are negative consequences resulting from this long mothballing, including those affecting the political sphere.

[Korobova] Does all the aforesaid mean that Yeltsin will keep on postponing his visit?

[Marchuk] It is the presidents who will determine when the visit takes place. We, the government people, according to a commission from the heads of state, should remove principal problems. Principal problems have basically been rseolved as part of a general political agreement. As for the unresolved issues regarding the Black Sea Fleet, they are of a purely technical nature and require time for their resolution. They, in my opinion, cannot be a barrier to the Russian president's visit.

[Korobova] As soon as the city of Sevastopol tried to deny Admiral Baltin those facilities that he granted to commercial structures, an outcry arose: "Help, the Russian fleet is being maltreated!" In other words, the situation will not develop quietly, because Mr. Baltin's interests probably do not always coincide with those of Russia. This is only one example.

[Marchuk] I hope that these questions will be resolved. If the process develops at the level of the Ukrainian and Russian presidents and governments and deepens among all the executive structures from top to bottom, any absurdities will be eliminated from this channel. And theses absurdities will be adequately named, for example usurpation of power. By the way, the present delegation includes Crimean Prime Minister Anatoliy Franchuk. Subsequently, this process will include local authorities in Crimea and Sevastopol. In this way, it will be more and more difficult to undertake actions contradicting the general scheme. This also refers to the Black Sea Fleet Command.

[Korobova] Of course, providing nobody doubts who is in power in Moscow — who is the president there and who is the king, as well as who has the real power and who wears only a crown.

[Marchuk] Please do not ask me such questions. It is Russia and the Russians who should decide about their rulers.

[Korobova] I will return to Ukraine's domestic problems, which make impossible the resolution of our foreign problems. The last session of the Cabinet of Ministers examined the sociopolitical situation in Crimea. As is known, Ukraine intends to attract international financial organizations and some CIS countries to subsidize a program for the return and settlement of deported nations. Has Ukraine already worked out its official position with regard to the events of 25 June [riots in Crimea]?

[Marchuk] Our position is clear. If a group of people loots and sets fires, this is unlawful, criminal activity which should be punished. Investigating groups have been created for this purpose.

[Korobova] Will this not further strain relations?

[Marchuk] We hope for support from leaders of the Crimean Tatar people. Because, no matter what motives engender the situation, they can never justify acts of violence. We hope that Crimean Tatars will aid us in our investigation. This is primarily in their own interests — to discriminate between criminal actions and attempts to resolve problems better than they are being resolved. In general, these events have had a heavy impact. However, let us hope for the better.

FROM THE AUTHOR: Nevertheless, life is good in its ability to evoke involuntary smiles. To meet the Ukrainian premier at Simferopol airport, a black ZiL [Soviet limousine], long forgotten and cleaned from the dust of perestroika, arrived at a special platform called "Domik" [Little House]. Generally, there is nothing noteworthy in the fact that official Crimea at last meets the Ukrainian leadership with ease and according to high-class requirements. However, it was pleasant to hear Yevhen Marchuk order it "to be taken away out of sight" and to see him get into an ordinary Volga car intended for Cabinet of Ministers officials. As for the "limo," it set off without passengers to its "stall" to wait for its turn again.

Moscow Accused of Meddling in Crimean Gas Deal

MK2907095495 Moscow KOMMERSANT-DAILY in Russian 28 Jul 95 p 4

[Report by Leonid Terentyev and Aleksandr Koretskiy under the "Situation in Ukraine" rubric: "An Attempt To Kill Two Birds With One 'Canard'"]

[FBIS Translated Text] The latest changes in the leadership of the Crimean Supreme Soviet — the replacement of the restive, "pro-Moscow" Sergey Tsekov by the "balanced" Yevgeniy Suprunyuk — and also the general calming down of the Crimean deputies owing to the commencement of the sunbathing season do not allow Kiev to count on the full normalization of relations with Simferopol. The executive branch, which continues to pursue an independent line of conduct, still poses a problem. It is this problem that the UKRAINA MOLODAYA newspaper attempted to resolve the other day by publishing a "top secret" memo of the Russian Foreign Intelligence Service [SVR] about methods of "strangling Ukraine with gas." If this newspaper can be trusted, on the Crimean side it is Deputy Prime Minister Andrey Senchenko who is involved in the affair and to whom Moscow actually sent this document. This story is noteworthy particularly because, although the authenticity of the memo raises considerable doubts, it is nevertheless a convincing and skillfully compiled document.

The document is entitled "Informational Material to the Russian Federation Government Bulletin No. 16" and represents an express analysis of expert materials, such as forecasts of oil and gas prices in Crimea and the Black Sea region. The memo analyzes in particular detail the objectives and results of the recent visit to Kiev by Kenneth Clarke, British Chancellor of the Exchequer, and the prospects for changes on the West European oil and gas market. As already mentioned, the memo is attributed to the SVR. At the same time it is explained that it was handed over to UKRAINA MOLODAYA by the Ukrainian National Assembly [UNA], which, for its part, received it from its "sympathizers" in the Crimean Government. As for them, to all appearances, they stole the paper from Andrey Senchenko himself, to whom, as the newspaper asserts, it was sent by the Russian Government "for study."

In short, the essence of the memo is as follows. Russia is extremely preoccupied with London's increasing interest in the matter of developing gas condensate fields in Crimea and the adjoining shelf of the Black Sea. In particular, while in Kiev, Clarke fairly insistently recommended to the Ukrainian side the tightening of financial requirements regarding the JKX firm, which is currently performing this work. The British Chancellor of the Exchequer thinks JKX is not a firm to which such an important matter can be entrusted. In the view of KOMMERSANT-DAILY experts, the thing is that although JKX is a British company, its operations are confined exclusively to Ukraine. This may be proof of its emigrant origin. In other words, its owners are Ukrainian-born. According to the publication, Clarke proposed that Kiev set up a more formidable international consortium, which would rely first of all on British capital — in particular, on the might of such giants as British Petroleum and Shell. In short, Kiev has been invited to follow "Baku's suit." The Ukrainian authorities have not consented to Clarke's proposal, but promised to think it over. As for Russia, the document says, it is extremely preoccupied with the very commencement of such talks between the West and Kiev — lurking behind them is the threat of losing not only a major market, but also political influence on Ukraine.

As for the West European energy market, it reacts fairly indifferently to the temperature of political relations between Russia and the West, the memo says. Pursuing their long-term interests, Western oil and gas consortiums have been stepping up their investment in the reconstruction of the oil and gas industries of Ukraine and the Baltic states. The just announced amount of investment for the next three years amounts to nearly $2 billion. The reconstruction of Ukrainian gas pipelines is carried out under the supervision of such organizations as the EBRD and the IMF. The document also cites the opinion of alleged "Gazpom" analysts, who think that gas consumption in Ukraine and Belarus will stabilize by 1996 at least at 70 percent of current import volumes. Given that, drastic changes of oil and gas prices will be unlikely, even despite an increase in production thanks to the development of gas condensate fields in Crimea and on the shelf. According to the "analysts," the political situation in East Europe and the CIS will make it impossible to increase profits by selling oil and gas in these regions. The memo points out that the prices of Crimean oil and gas in West Europe and the CIS will not depend on who will be selling them.

The document ends with "the SVR's practical recommendations to the Russian Government." The cabinet is allegedly urged "to contemplate reducing JKX's participation in the development of gas condensate fields of Crimea and the Black Sea shelf." The Crimean Government, meanwhile, should prepare to carry out a closed tender for the right to develop Crimean fields. The tender itself, the authors of the memo write, could be held in Moscow or St. Petersburg. Notably, the document points out in a separate paragraph the advisability of involving the Black Sea Fleet in the tender.

This "practical recommendation," the newspaper notes, throws light on Russia's claim to the Black Sea Fleet bases located between Feodosiya and Sevastopol: It is there that the largest gas-containing shelf areas are located. Thus, the commentary on the document emphasizes, close links between the Crimean Government and Russian structures interested in maintaining "gas control" over Ukraine become plainly evident. This is confirmed both by the existence of channels for the exchange of sensitive information and the nature of the "practical recommendations."

In conclusion, the author of the newspaper publication urges "cutting the artificial umbilical cord" connecting Moscow and a Ukrainian peninsula. Neither more nor less!

Yesterday, your KOMMERSANT-DAILY correspondent met with Andrey Senchenko, deputy prime minister of the Crimean Government, accused of conducting espionage on Moscow's behalf, and asked him to comment on the published document. His answers boil down to the following. There is no such document — this is a gross counterfeit fabricated by ultranationalists from the UNA. "Two extreme groups — a pro- Russian group on one hand and a pro-Ukrainian, on the other — have converged on me. They have one objective — inflaming the peace in Crimea and turning the peninsula into a hot spot." The deputy prime minister produces the impression of an experienced politician. In his words, it is not the first time he has had to engage in espionage — including on behalf of Switzerland. According to the deputy premier, such a charge has recently been hurled at him, on that occasion by pro-Russian publications. The charge emerged after Mr. Senchenko visited Switzerland together with Stanislav Ivakhnenko, deputy chief of the Main Administration of the Ukrainian Security Service, and Ivan Polyakov, officer of the Main Administration of the Ukrainian Internal Affairs Ministry, for talks with Swiss police chiefs. It should be recalled that there was a time when Switzerland was also frequented by Crimean President Yuriy Meshkov. On the whole, Senchenko dismissed the publication as "a far-fetched sensation." "A canard," he said.

Also yesterday, your KOMMERSANT-DAILY correspondent turned for comment to the SVR, to which authorship of the "Informational Material to the Russian Federation Government Bulletin No. 16" is attributed. They responded that they are not aware of the existence of such a document. They also recalled that, according to intergovernment agreements, intelligence agencies of the CIS countries do not carry out operations on each other's territory.

There is no doubt of the fact that the memo was drawn up by a knowledgeable, professional expert — not necessarily a Russian official, but nevertheless a professional who is well versed in the subject and who has access to "hot" information. The author's sole lapse appears to be mentioning the possibility that the Black Sea Fleet can take part in the tender. The involvement of so sensitive a subject — the still undivided Black Sea Fleet — in the plans for plundering Ukraine's national legacy can be assessed as proof of the document's "Ukrainian origin." As a matter of fact, Senchenko, too, drew attention to this point.

Well, forget about the authorship. After all, what is most important is who stands to benefit from the "leak" of such a "document" — a document for some reason addressed to a specific deputy premier to boot. The first theory that springs to one's mind concerns the UNA nationalists. As a matter of fact, they have enough specialists in their organization who are capable of professionally drawing up a memo. As for Senchenko, he was "set up" because of what the UNA sees as his "pro-Russian" leanings. But another explanation is also possible: The struggle for the rights to develop Crimean natural resources and its shelf is stepping up. How these plans correlate with the prospects for the peninsula's development as a resort area is difficult to tell. It cannot be ruled out that until recently Kiev has not even given thought to the possibility of using the peninsula for industrial purposes in the bargain. The initiative with which Britain came forward gave the idea an impetus of sorts. On one hand, oil giants have allegedly paid attention to Crimea (and this is what the Baku oil consortium started with). On the other, the attainment of at least some measure of independence in terms of energy supply is a No. 1 priority for Kiev. For this reason it is unlikely easily to agree to rely on Britain's financial might in this matter. The very fact that talks on this matter have commenced (if they really took place) could not but draw an absolutely predictable reaction from Moscow. It cannot be ruled out that certain analytical materials on the prospects for developing Crimean gas condensate fields have been sent to the Russian White House and that some of them have found their way to Ukraine one way or another. But even if this is the case, the leak of top secret documents from the SVR is absolutely out of the question — so narrow is the range of persons who receive relevant information from the Russian intelligence service.

On the whole, however, despite the lapse over the Black Sea Fleet's involvement in the tender and despite the fact that people from the UNA for some reason handed the sensational material to a small paper, even if one published in Kiev, the publication is, no doubt, extremely noteworthy. One that reflects explicitly unmistakable political trends.

National Affairs

Russian Community Protests Mayak Broadcast Suspension

LD2807215695 Kiev UNIAR in Ukrainian 1520 GMT 28 Jul 95

[FBIS Translated Text] Kiev, (UNIAR) — The Kievskaya Rus society of Russians in Kiev has appealed to the Ukrainian president, Cabinet of Ministers, Supreme Council, and the media against the cessation of Russia's Mayak radio broadcasts in Ukraine.

In its statement, the Russian community also expressed its resentment at the decree signed by Zynoviy Kulyk, chairman of the Ukrainian State Committee for Television and Radio, on 18 July 1995, "imposing considerable restrictions on Russian Public Television broadcasts." The statement described the decree as a "violation of ours and the Ukrainian people's freedom of choice and information."

Kievskaya Rus called on the governments of Ukraine, the Russian Federation, and Belarus to take the necessary measures to "preserve the single information area for the fraternal Slavic nations."

No Intention To Suspend Russian TV Broadcasts

LD2807141395 Moscow INTERFAX in English 1255 GMT 28 Jul 95

[FBIS Transcribed Text] KIEV, JULY 28 (INTERFAX-UKRAINE) — The Ukrainian government has no intention of suspending the transcription of Russian Public TV, formerly known as Ostankino, broadcasts, Ukrainian Prime Minister Yevhen Marchuk told journalists in Kiev.

Even though it is planning to relegate RPTV broadcasts to the second channel of Ukrainian television, the Ukrainian government has no plans to interrupt the free flow of information between Ukraine and other countries, Marchuk said.

If they are aired by the second channel, RPTV broadcasts may lose 22% of their audience.

To settle the problem, Kiev has transmitted a draft copy of an appropriate agreement to Moscow, Marchuk said.

According to Marchuk, the RPTV company failed to meet last year's agreement with the Ukrainian government-controled TV and radio company. Its broadcasts were to have taken up 6 hours of airtime a day, but RPTV exceeded the norm by 200% and came to owe 12.2 billion rubles to Kiev. Its debt has grown by another 2.6 billion rubles since January 1, 1995, Marchuk said.

In the meantime, Ukraine's Donetsk region intends to finance the transcription of RPTV broadcasts on its own, the chairman of the Donetsk Soviet, Vladimir Shcherban, told journalists on July 27.

Kuchma Signs Edict on Support for Technology Projects

LD2807143395 Moscow INTERFAX in English 1300 GMT 28 Jul 95

[FBIS Transcribed Text] KIEV, July 28 (INTERFAX-UKRAINE) — Ukrainian President Leonid Kuchma has signed a decree "On state support for research institutions working on the latest science and technology projects."

According to the Decree, the goal-oriented budget funding for research institutions and design organizations working on the science and technology projects oriented towards the creation of advanced technologies and know-how shall start in Ukraine.

The Ukrainian Cabinet has been given three months to make up a list of key projects oriented towards the creation of state-of-the-art competitive technologies and products ensuring a lessening of dependence on import and energy consumption, saving of resources and a rise in labor productivity.

The Government has been instructed to envisage mandatory deductions by enterprises, establishments and organizations of all forms of ownership to the State Innovations Fund of Ukraine.

The Decree provides for two months for endorsing the procedure of competitive examination of the research institutions and design organizations, which will be allocated goal-oriented funds for developments and to decide upon the procedure for determining the volume of such funding and to determine the machinery for the control over the utilization of funds.

More on New Government Appointments, Policy

WS2807125395 Kiev INTELNEWS in English 0429 GMT 28 Jul 95

[By Oksana Hasiuk, "Special to INTELNEWS"]

[FBIS Transcribed Text] Kiev, July 27. President Leonid Kuchma, completed formation of most of his government Thursday [27 July], appointing Ihor Mityukov a deputy prime minister and designating him as special representative to the European Union.

Mityukov had been deputy Prime Minister for financial, banking and foreign trade issues in the outgoing Cabinet of Ministers.

The future of Viktor Pynzenyk, however, who had been a first deputy prime minister in the new government, remained in doubt.

Mykhaylo Kaskevych, who was Labor Minister in the former Cabinet, saw his tenure renewed by Kuchma's

Thursday decree. Vasyl Yevtukhov, a head of Ukrainian Union of Industrialists and Entrepreneurs (UUIE), a major Kuchma supporter, was appointed deputy prime minister for energy issues.

The president also issued a decree on Thursday creating a State Committee on energy preservation issues, appointed as its chairman Mykhaylo Kovalko.

That decree also abolished the State Committee on Precious Stones and Metals and ordered the Cabinet to decide within one month on who would have future control over this jurisdiction. Kuchma also abolished the State Committee on Textiles and Light Industry and transferred its authority to the Industry Ministry.

The of Pynzenyk, [as received] the liberal who was the First Deputy Prime Minister for economic reform in the outgoing Cabinet, was absent from today's round of appointments.

Although Prime Minister Yevhen Marchuk said Thursday Pynzenyk's fate "had already been decided," none of the president's Thursday actions had any affect upon him.

Kuchma had said earlier this month that he intended to appoint Pynzenyk as deputy prime minister for economic reform, a notch down from first deputy prime minister Pynzenyk in a televised interview on state television later denied that he ever spoke to Kuchma about the job and sought to deflect speculation that he had turned the president down.

Marchuk said Thursday he had talked to Pynzenyk, when he "was offered an office of deputy prime minister." said Marchuk.

Pynzenyk, according to Marchuk, "will be a full Cabinet member and will have all authority of a deputy prime minister, but not a first one."

"There will be only one first deputy prime minister to replace the prime minister in his absence," said Marchuk.

Responding to only one of a barrage of journalist questions seeking to determine the identity of the new official, Marchuk said "he is around 40 years old," causing speculation to shift toward Dnipropetrovsk Governor Pavlo Lazarenko, a close Kuchma ally whose name had earlier been circulated as a possible contender to replace Pynzenyk.

The 42 year-old Lazarenko is a member of the parliamentary Unity faction and served as presidential representative in Dnipropetrovsk oblast from 1992 to 1994 under former President Leonid Kravchuk.

"I have always had good relations with Leonid Danylovych [Kuchma], when he worked as Pivden-Mash director, when he was at the Cabinet of Ministers, when he resigned as prime minister and when he was elected president," Lazarenko said in a June interview with INTELNEWS.

Kiev Appointment Sets Off Sevastopol Demonstrations

MM3107082095 Moscow KRASNAYA ZVEZDA in Russian 28 Jul 95 p 3

[Report by Vladimir Pasyakin: "Pickets and Rallies. Political Battle Over Sevastopol Continues Unabated in the City Itself"]

[FBIS Translated Text] Now that the question of Sevastopol's Russian status has once again been raised on the initiative of Konstantin Zatulin, President Leonid Kuchma seems to have decided to bind the "city of Russian seamen" more tightly to Ukraine. He has signed an edict appointing Sevastopol City Soviet Chairman Viktor Semenov chairman of the Sevastopol city state administration. Let me point out that a similar post already existed in Sevastopol back in President Leonid Kravchuk's time, when City Mayor Ivan Yermakov was appointed head of the city administration. But no one gained as a result. There is no certainty that anything will improve now either....

Not surprisingly, this news elicited a stormy response from the people of Sevastopol. On the initiative of the Russian People's Assembly of Sevastopol and the city Russian People's Veche [council], people began picketing the city state administration. The state flags of Russia and the Republic of Crimea were hoisted there along with St. Andrew's flags and over two dozen banners whose contents speak for themselves. For instance: "Mayor Semenov is a defector from Russia, a traitor to Russians' interests!" "The post of Ukrainian presidential representative marks Kiev's contempt for Sevastopol!" and so on.

"Aren't you being threatened? Aren't you being hampered from expressing yourselves," I asked Geniy Kruglov, a member of the Sevastopol City Soviet, who was leading the picket.

"Of course we are, but we are expressing our opinion openly and are not afraid to do so. We are going to stay here the entire week."

Two days later I went to the Sevastopol City Executive Committee again. I found no pickets, banners, or flags. Alla Sladkovskaya, secretary of the Russian People's Veche, told me:

"After the flag-waving picket had been shown on Ostankino, representatives of the Ukrainian internal affairs directorate in Sevastopol came along and gave orders for us to get out while the going was good. Otherwise they threatened to confiscate or rip up the flags. When we refused to leave, they used force...."

Well, the Ukrainian militia and security service in Sevastopol have won a convincing "victory" over some elderly people, most of them women extremely advanced in years. Admittedly, they did not use nightsticks, but only their bare hands, Sladkovskaya explained.

Representatives of the Russian People's Veche have now taken up position with flags and banners in the public garden next to Nakhimov Square. They are in a determined mood....

Until the new structure — the state administration — is set up, the city council executive committee will exercise its functions. A new seal and official forms have already been ordered. But will things be any easier for the people as a result? Once again there is no certainty of that....

New Council To Assist With Economic, Social Strategy

LD2907113695 Kiev UNIAN in Ukrainian
1030 GMT 29 Jul 95

[FBIS Translated Text] Kiev — Ukrainian President Leonid Kuchma will shortly sign a decree setting up an analytical and consultative council under the Ukrainian Cabinet of Ministers. The council's task will be to work on the strategy and mechanisms of implementing the state's economic and social policies, Ukrainian People's Deputy Roman Bezsmertnyy, a member of the council, has told UNIAN.

On 28 July, Ukrainian Prime Minister Yevhen Marchuk chaired an organizational meeting of the council, attended by some 30 members including government officials, scientists, and parliament deputies.

The meeting looked at the regulations on the council, endorsed its action plan for the next six months, and defined the subject of its first sitting as the problems of an intersectoral balance, Roman Bezsmertnyy said.

Yevhen Marchuk outlined the main objectives in this body's work — putting together a world-standard unified information system; data analysis; and producing recommendations for the executive and legislative branches of power.

Yevhen Marchuk will lead the permanent council. Ihor Yukhnovskyy, academician, people's deputy, and the originator of the whole idea, will be his deputy.

Continued Operation of Chernobyl AES Recommended

LD2807185495 Kiev UNIAN in Ukrainian
1835 GMT 28 Jul 95

[FBIS Translated Text] Kiev — Unless the closure of Chernobyl AES [nuclear electric power station] is supported financially by Western countries, the station's units are to be modernized and restructured to extend their operation for 10 years, says a press release by the State Committee for the Use of Nuclear Power on the performance of nuclear power plants in the first half of 1995.

This decision is based on the ability of the Chernobyl nuclear power plant to finance the modernization with profits from its output.

The committee points out that the plant's performance indicators are the highest in the industry. International Atomic Energy Agency experts have noted the increasing reliability of the station's equipment and the high professionalism of its personnel, and have also allowed the possibility of extending the plant's term of operation.

Government To Build Nuclear Fuel Production Plant

LD2807212595 Kiev UNIAN in Ukrainian
1835 GMT 28 Jul 95

[FBIS Translated Text] Kiev, (UNIAN) — Ukraine is to create its own nuclear fuel cycle to stabilize the situation in the nuclear energy complex, according to a press release by the State Committee for the Use of Nuclear Power on nuclear power plant performance in the first half of 1995.

According to the document, a program of energy complex development currently under examination at the Supreme Council allows Ukraine to fully meet its needs in Uranium. Talks are underway with the French company COGEMA on the joint development of Uranium deposits. Ukraine intends to increase its output of Uranium and set up a nuclear fuel production facility.

The press release reports that the Ukrainian Government has announced a tender for projects to build a nuclear fuel production plant, which will be assessed at the end of the year. Projects are tendered by ABB (USA), Westinghouse (USA), Siemens (Germany), Framatome (France), and the Russian Atomic Energy Ministry. A feasibility study for Ukraine's nuclear fuel production facility estimates a return on investment in four to five years.

Currently, Uranium and Zirconium ore extracted in Ukraine is exported to Russia, which supplies Ukraine with finished fuel components.

Economic Issues

Economic Slump To Continue Until 1997

MM2807150895 Moscow TRUD in Russian 28 Jul 95 p 3

[Report by Sergey Lebedko: "Three Years' Wait"]

[FBIS Translated Text] The industrial slump in Ukraine is expected to continue until 1997, but the rate of slump will be 1 to 2 percent. The level of inflation will be insignificant — 1 to 2 percent per month. This point of view was expressed by Ukrainian Deputy Economics Minister Volodymyr Naumenko. He considers that inefficient enterprises will start going bankrupt in the near future. Some will be wound up, while others will receive rescue and recovery packages. The nonstate sector will grow to between 50 and 55 percent of the economy as a whole. It is possible, according to Volodymyr Naumenko's calculations, to forecast a small but steady growth in the population's income from 1997 on. But markets selling Ukrainian products will continue to be limited by the population's low purchasing power, while the penetration of foreign markets is held back by the poor quality of goods.

The earliest it will be possible to start solving the nonpayments problem is 1997. And the recovery stage will start only in 1998, according to the deputy economics minister. So again it's a three-year wait for the promise to be met.

Marchuk Promises 'Tough' Macroeconomic Measures

LD2807174995 Moscow INTERFAX in English 1533 GMT 28 Jul 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Prime Minister Yevhen Marchuk, speaking in Kiev on Thursday [27 Jul] pledged his government's commitment to tough macroeconomic measures in future.

He spoke of planned money emission in the third quarter of this year, but no excessive money supply.

Marchuk said the government was working hard to try to raise finances to pay for government contracts including some 30 trillion karbovantsy (about $200 million) for energy imports to see the country over the next winter season.

He said the government would try to use non-emissionary ways of finance-raising.

The prime minister said the monetary reform commission he leads was working as scheduled. Although the problem of introducing a new currency unit, hryvna, is a hard one, Marchuk reaffirmed the president's recent announcement saying the country may have a new currency by October.

Although there is no legal term such as strategic partnership, Kiev-Moscow relations may be well be described as being such, Marchuk said commenting on the outcome of his recent talks in Moscow.

Apart from the issue of the Black Sea Fleet, the Ukrainian and Russian prime ministers focused on economic cooperation between the two countries. Marchuk described the accords reached in Moscow as being vital to Ukraine.

At the same time, he called for a build up of economic contacts with Russia as a way of redressing Ukraine's economic plight.

Marchuk said work was near completion on a range of bilateral agreements including each other's diplomatic missions; elimination of the after effects of industrial accidents; border demarcation; transnationals; mercury waste disposal; aerospace and aircraft industries.

He said Ukraine was heavily dependent on Russia for key strategic materials.

Marchuk said the two countries signed a framework deal on financial-industrial groups including areas such as fuel and energy complex; gas transport; alloyed and rolled steel; alumina production; chemicals and shipbuilding; aerospace and mining equipment and so on.

Kuchma Signs Edict on Deadline for Barter Contracts

LD2807143095 Moscow INTERFAX in English 1300 GMT 28 Jul 95

[FBIS Transcribed Text] KIEV, July 28 (INTERFAX-UKRAINE) — President of Ukraine L. Kuchma has signed a decree setting the deadline for the import of commodities to Ukraine under barter contracts.

As follows from the decree, the commodities and services imported under barter contracts and equivalent to the cost of commodities and services which were exported under such contracts before February 5, 1994 shall be shipped to the customs territory of Ukraine not later than 90 days since the enforcement of this decree (July 26).

The decree allows an extension of the deadline for the import of commodities under barter contracts if they envisage production cooperation, consignment, complex construction, supply of sophisticated and special purpose commodities. An extension of the deadline is to be allowed for subjects of foreign trade economic activities of Ukraine by a one-time license to be issued by the Foreign Economic Relations Ministry of Ukraine upon agreement with the Economics Ministry of Ukraine.

Industrial Policy Minister Interviewed

WS2807080495 Kiev UKRAYINA MOLODA in Ukrainian 21 Jul 95 p 3

["Exclusive" interview with Anatoliy Kinakh, deputy prime minister for issues of industrial policy, by Oleh Olenyuk; place and date not given: "I Am Not Euphoric Over My Appointment" — first paragraph is UKRAYINA MOLODA introduction]

[FBIS Translated Text] Anatoliy Kinakh's appointment as prime minister for issues of industrial policy was quite a surprise for many politically savvy Ukrainian citizens. Traditionally, the appearance of regional politicians in the government has always been followed by a deadlock situation in the Cabinet of Ministers that was later resolved as a result of compromise reached by power structures. The situation with the former Mykolayiv Oblast governor, however, does not fit into this antiquated perception — Kinakh did have things to sacrifice. But is this sacrifice justifiable? This and other issues are the topics of his exclusive interview to UKRAYINA MOLODA.

[Olenyuk] What prompted you to change the post of governor for that of prime minister for issues of industrial policy?

[Kinakh] I proceeded from the assumption that Ukraine desperately needs to preserve its entire scientific, industrial, and technological potential and develop it based on market principles — in other words, we must do our best to prevent our state from becoming a raw material base. Frankly speaking, a decision to move to Kiev was not an easy one for me. In my more than three years of work in the Mykolayiv Oblast leadership, I have put a lot of effort into my activities. But the most difficult and upsetting thing was to say goodbye to my people, my team, which is reliable both in human and professional terms. Given the economic, social, and political situation that has taken shape in Ukraine, I had no moral right to say "no" to the president's — and later the prime minister's — proposal.

[Olenyuk] But managing the region and a group of industrial branches are two different things. How long will you take to get on top of the entire scope of problems?

[Kinakh] It is not the position itself that is important for me, this is why I am not euphoric over my appointment. I view this appointment, on the one hand, as trust to me and, on the other hand, as a great responsibility to resolve issues related to Ukrainian industry. I will have to learn on the run and analyze my work, and not only on the regional level — borrowing the best from my previous position, I will have to apply my experience and expertise on the state level, which is also important. One of the problems that worried me over the past six months is the considerable gap between macroeconomic methods of stabilizing the economy and the results they produce on the microeconomic level — that is, the level of specific enterprises. While fully supporting the need to conduct economic reforms and harsh credit and financial policies, as well as to curb inflation, I proceed from the assumption that all macroeconomic decisions have to be adopted following an analysis, a prognosis of consequences and specific results, taking into consideration many options and remaining faithful to the main thing — the market-oriented economic reform.

[Olenyuk] In your recent interview to the television company "Nova Mova" [New Language], the then-acting deputy prime minister for issues of economic reform, Viktor Pynzenyk, emphasized that now that we have achieved stabilization, even if a small one, the issue of structural changes should receive priority attention. How do you think these two things — stabilization and structural changes — can be combined?

[Kinakh] These are two closely intertwined problems. Without structural changes in industry, we will never cope with inflation or make our products competitive. Little attention to this issue has lead to the situation where the most emphasis is still being put on the Group A industries — that is, raw materials, the mining industry, which turns out intermediary products at best. At the same time, we have many problems with the machine building industry, let alone the light and food industries — the fields that to some extent determine the country's technical potential and people's living standards. This is a social foundation, based on which we can proceed down the path of creating market structures and the real market in Ukraine.

I believe that even the methods of macroeconomic stabilization (harsh monetary and financial policy) should be applied based on state priorities. The latter, in turn, should stem from industries that determine Ukraine as an industrially developed state — the industries that already are on a sufficiently high technical and technological level that allows them to conquer foreign markets even without considerable investments. We do have such industries. They include rocket and space equipment, ship building, machine building, and instrument building. But the absence of a coherent state policy concerning these industries based on economic methods, including financial, credit, and tax regulation — that is, the policies of healthy protectionism — has put these expensive and market-oriented branches in a tight bind. The situation needs to be changed. This, however, should be done by economic methods, such as encouraging structural changes in industries, thus prompting relevant structural changes in downstream branches.

[Olenyuk] Keeping production of certain industries at the same level runs into another problem — sales of this production. How do you think it can be resolved?

[Kinakh] Indeed, whatever quality products we may manufacture, they will simply jam warehouses without consumers capable of paying for them, including both private individuals and whole enterprises. This is a very serious problem, and it is part of an entire set of problems — such as sufficient social protection and purchasing power of citizens — that the government put on the back burner conducting its tough monetary policies. Today, we have to deal with the situation where products in demand can not be sold due to lack of money in consumers' hands. A shining example of this is the agro-industrial complex, with 60 percent — and in some regions, even 70 percent — of its production means being obsolete and crippled by wear and tear. Agricultural manufacturers, however, do not have enough funds to purchase the equipment, even if it is readily available in our country. All this has pushed the average household food spending up to 60-70 percent. This is an inadmissible figure testifying to the overall low standards of living. Living in such conditions, people cannot buy durable consumer goods. And this is where we find ourselves in a vicious circle, in which there are no sales and, hence, turnover and incentives to produce. On the other hand, we should not overstep limits of the financial and monetary policy just to boost production, as this would threaten to fuel even higher inflation. Therefore, it is crucial now that we strike a balance between economic revival and stabilization of the credit and financial system.

[Olenyuk] Could you show at least the contours of a recipe for eliminating the sales problem by the non-issue method and without putting up a pyramid of mutual indebtedness?

[Kinakh] There are contours, and I hope that they will be incorporated into a government program, which is now in the works. The draft of this program has already been handed over to the Supreme Council, and its final version will be submitted for approval before its fourth session. The task that needs to be resolved is very closely connected with other problems, such as privatization, for example. For Ukraine, development of entrepreneurship and small and medium business is very important because the unemployment, measured now in millions, will grow even further under the reconstruction and appearance of bankrupt enterprises. People should be retrained, while small and medium business is just the sphere that can create new jobs according to the Central European scenario. Another important factor concerning the state industrial policy is the creation of this policy based on a targeted and coordinated approach. In other words, a targeted and specific program should be applied to any given industry, covering all components — from taxes to credits. By the way, according to the president's directive, we are now working on a concept of industrial policy which is closely connected with the government's plan of actions.

[Olenyuk] The president has recently announced adjustments in the reform course. What implications will this have for industry?

[Kinakh] The core of this adjustment is to identify, while devising an industrial policy, priorities that are elements of national security. After that, we should activate the mechanism of state regulators of priority industries. One should not only find and give credit but also make sure that it works for the right purpose. Investments should be sought only for a project or business plan whose implementation will produce positive results both for the state, a specific industry, and a specific enterprise. In other words, the course's adjustment calls for coordinating the disappearance [preceding word as published] of inflation, finance and credits policies, and monetary policies with stimulating priority industries and enterprises that make up the country's industrial foundation. Social protection is another important element. Implementation of political reforms will not go smoothly before the Ukrainian people understand logic, methods, goals, and anticipated results of this reform. This is the basis for building people's confidence in the authorities, which is absolutely necessary to achieve a positive result. To secure this confidence, one should strengthen the social protection sphere, adding to it such benefits as a higher share of wages in production costs and issues related to the need to introduce targeted social protection measures.

[Olenyuk] In this context, will the taxation system change? Do people really have to continue to pay taxes on their income three times?

[Kinakh] Of course, we should change not only the taxation system, but also the entire social protection system. On the other hand, increasing people's standards of living should never be ensured by the money-printing machine. This issue should be connected with stabilizing industry — particularly the one that manufactures consumer products — and stopping the drop in production in vitally important branches. People need to understand that their well-being largely depends on the material production rather than the number of zeros on monetary notes.

[Olenyuk] Social protection reform is praised as one of your achievements during your work in Mykolayiv Oblast. What is its essence and distinctive features?

[Kinakh] We proceeded from the assumption that during the transition to a market economy, we urgently need to establish a system of social protection — the foundation on which people's acceptance of reforms rests. This is why we first of all redirected financial aid to the most needy social groups in the form of targeted support. Every individual that needs help should be the focus of social protection bodies. At the same time, able-bodied individuals should have everything to earn enough money to support their families. This is the principle to which my team stuck while working in Mykolayiv Oblast, and I think this principle will be beneficial for the entire Ukraine.

[Olenyuk] It seems that you may encounter another problem — the miners.

[Kinakh] The point is that Ukraine has enough of only one energy source — coal. If no attention is given to the coal-mining industry, our dependence on external energy supplies will grow even further, which can produce very negative consequences, one of which may be the loss of our independence. The coal-mining industry is now faced with several problems. The worst one is that of non-payments. Consumer debt to coal producers has reached K40 trillion, causing delays in paying out wages. The second important issue is the drain of skilled personnel. The industry is getting [illegible] while young reinforcement is nowhere to be seen, and it is not clear whether it will ever be seen. The third problem concerns competitiveness of domestic production. Depending on its quality, coal costs 15-20 percent more at the interbank currency exchange than on the world market. This forces consumers to import coal from Poland and the Russian Federation. This can be explained by subjective reasons — high energy consumption, organization of the production process, the technological gap — and objective reasons. The latter include the fact that mines have to maintain the extensive social and cultural sector, housing resources, etc.

[Olenyuk] Six months ago, the then-deputy minister of basic industrial branches, Vasyl Hureyev, declared that the coal industry would receive more than K100 trillion for stabilizing and modernizing production.

[Kinakh] To resolve the issue of competitiveness of our production and the prestige of coal mining jobs, the already adjusted budget includes allocations for the Heat and Power Engineering Complex Stabilization Fund. This will allow us to at least partially resolve the problem of major construction in the coal industry and preparation for the winter season.

[Olenyuk] As I understood from the conversation with you, Ukraine's industry has quite a few problems today, but it will have to grapple with many more tomorrow.

[Kinakh] This is exactly why we are not going to claim that we will easily take care of everything. Progress can only be achieved based on accurate, professional, and concerted actions on the part of the government, Supreme Council, local leadership, and peace and tranquility in society.

Belarus

'Hramada' Head on Servicemen Movement, Party

WS2707140595 Minsk NARODNAYA GAZETA in Belarusian 21 Jul 95 p 2

[Interview with Mikalay Statkevich, chairman of the Belarusian Social Democratic Assembly, by Mikalay Halko; place and date not given: "Mikalay Statkevich Is the Politician Who Won the Battle for the Office of BSDH Leader. He Is the Man Who Showed a Director His Opinion About a Film By Slapping His Face"]

[FBIS Translated Text] [Halko] I have before me a letter written by a [NARODNAYA GAZETA] reader from Baranavitski rayon, which carries many warm words about you and your parents. Were you born in Baranavitski rayon?

[Statkevich] My parents, actually my father currently lives in Baranavichi. I was born in Slutski Rayon. My parents were village teachers who moved to Baranavichi when I was a cadet in a military college.

[Halko] Thus, you must have teachers' genes. You have military education and as for your occupation, you are chairman of the Hramada — the Belarusian Social Democratic Assembly. This is an interesting combination.... When did you join the Hramada?

[Statkevich] I was among the founders of the party. I used to maintain close contacts with poet Anatol Vyartsinski and to publish poems in LITARATURA I MASTATSTVA [LITERATURE AND ART]. I met many would-be social democrats there. I then became a member of the Hramada's organizing committee and was elected delegate to a party congress.

[Halko] You are a historic person....

[Statkevich] Indeed, we are all involved in history.

[Halko] What goal did you pursue by engaging in party activities?

[Statkevich] I was haunted by the conviction that Belarus should have its own armed forces. Otherwise, the dissolution of the USSR could have led to a civil war on our soil.

[Halko] Did your arguments produce any results?

[Statkevich] A military faction was set up within the Hramada and was later transformed into a patriotic association.

[Halko] It is clear that servicemen from the Hramada supported you. How about civilians?

[Statkevich] Those officers who preserved their love for the native tongue and to the history of Belarus were treated with extreme respect, and I was elected deputy chairman of the [Hramada] Executive Committee.

[Halko] You have made a good career in the party.

[Statkevich] It was not bad, although in the summer of 1994 I sought resignation from the party leadership, given that I began to represent a minority in the Executive Committee. In fact, I was left alone.

[Halko] Did you and your partners have different viewpoints?

[Statkevich] No. That was a specific issue. You might remember that on that occasion deputies representing the Assembly in the Belarusian Supreme Soviet voted for Henadz Karpenka, who wanted to run for president. That was a mistake and the deputies were trapped because of a lack of information. It was not worthwhile to put signatures on the list of Karpenka's supporters. However, once signatures were there, it was a shame to take them away.

My partners did not agree with me and believed that our candidate already held a victory in his hands....

Shortly afterwards I resigned from the post of deputy chairman.

[Halko] Your name is more often associated with the Belarusian Servicemen Association [BZV]. What is the association's current status?

[Statkevich] This is a patriotic movement which comprises people regardless of their ideological views. There were even members in that organization who claimed they were communists.

[Halko] Do even generals join the movement?

[Statkevich] There are no active servicemen among us. We made that decision to avoid persecution of our members.

[Halko] What is your attitude toward claims that the BZV is all but a fascist organization, which is making plans to seize power?

[Statkevich] Many people recently learned how to accuse others, but few know how to substantiate their accusations. Accusing the BZV of evil plans is sheer foolishness; this does not even deserve a response.

The BZV has two wings — the public-patriotic wing, which is trying to educate society, in general, and the young generation, in particular, on examples from the rich history of Belarus. Celebrations of anniversaries of the victory at Grunwald were organized by the BZV.

Outrageous things happen: When we organized celebrations to commemorate the victory [over Russian forces] at Orsha, we were accused of derailing relations with Russia. When we made preparations for celebrating an anniversary of Grunwald, other opinion were voiced — we were blamed for discouraging relations with the West. You see what a special kind of leadership we have: They are ready to dash the entire history of Belarus to avoid grievances from our neighbors. Nowhere in the world can one find a more meek behavior.

We have honored and are going to honor all the Belarusians, regardless of the fact in what battles they were killed. The main thing for us is that all those people were protecting their motherland.... We honor the victims of the Kosaw shooting, when Belarus was under Polish occupation. We are actively participating in celebrations of the victory over fascism.

Those are, by far, not all the examples. There has not been a single "anti" action organized by us.

[Halko] I will ask a more specific question: Are there people in the BZV's ranks who hate Russia and the Russians?

[Statkevich] God forbid! Hatred, inciting hatred is not our goal. We have a multi-ethnic organization. Young people, whom we call "Belarusians of a different ethnic origin," make up some 30 percent of the members of our youth organization. We are not going to set our own home on fire. Nobody can quote BZV leaders' hostile remarks about our neighbors.

[Halko] Still, certain papers have published special kinds of photographs of tough guys. Does this mean that the BZV is ready to take actions that involve the use of force?

[Statkevich] I have already said that our other wing is fighting crime, naturally doing this at its own level and by legal means. We have tried to register a workers' militia. In those places where we succeeded to register militia units, there is no place for criminals in the streets.

[Halko] Where are such safe places?

[Statkevich] In Novolukoml, for instance.

[Halko] Do you experience problems with local authorities there?

[Statkevich] No problems. Once the militia was registered street crime rates dramatically decreased.

[Halko] However Novolukoml is only a dot on the map of Belarus.

[Statkevich] It is. Unfortunately, the wave of badmouthing the BZV and the militia played its role, thus the authorities treat our proposals with suspicion. Nevertheless, the BZV is ready to render assistance to the police in Pinsk, Mogilev, or Minsk.

[Halko] Your adversaries can say that Statkevich is forming an armed force under the disguise of militia units. What is your attitude toward the revolutionary way of reform?

[Statkevich] Our experience demonstrated that revolutions, which are attempts by an armed minority to dictate its conditions to the majority, lead to an abyss. Successive reform is the best method. As for militarization, its main feature is access to arms. We do not have arms. Uniforms? There are so many people wearing uniforms in Minsk. The BZV has a small number of uniforms worn by militiamen during rallies. We pursue a noble goal — that of preventing conflicts. Just that.... Particularly since we are initiating contacts with the police.

Nobody has ever registered a single wrongdoing [by the BZV]. There were clashes with criminals in Novolukoml. We passed violators into the hands of the police.

[Halko] You seem to be an advocate of resolute actions. It is enough to mention how you slapped the face of the director of an infamous film [representing the BZV as a fascist organization]. Was there no other way to demonstrate your attitude toward director Azarenok? On that night you also disturbed [the director's] family, which is guiltless.

[Statkevich] You know what.... The film offended not only the BZV, but me personally. Methods used in the film have their roots in the propaganda of Bolsheviks and Goebbels. The film deeply hurt me, given that my family had badly suffered from fascism: My grandfather had been murdered by fascist policemen in front of my father. My father had miraculously escaped death. My mother's stepfather had been killed at the front, my relatives had been taken to German labor camps.

As you see, there is no need to dwell on this issue. Moreover, it is thanks to the BZV that no youngsters wearing Nazi symbols are walking our streets. By means of the press we warned them that those who will wear swastikas will be in dire straits.

Meanwhile, in his fabrication, Yuryy Azaronak represented our antifascist organization as a fascist one. This is the pinnacle of fraudulence.

My father watched this film, and old people usually believe what they see on television. Of course, I could have sued the director, but I know that the court would have treated that so-called "film" as a "work of art" and raise the issue of an artist's right to invention.

The creation of such a film is meanness, and meanness should be punished.

I did not mean to beat up Mr. Azaronak. My action was a lesson of professional ethics. Incidentally, Azaronak's behavior was very strange, too. A man's face was slapped and various reports about the incident appeared in the press. I did not plan to leak any information. Then there was an appeal to the court, a doctor's certificate to the effect, that "in the left part of the left cheek" there was a slight damage.... This was strange, frankly. I could not meet Mr. Azaronak at his place of work (he works on television and there is no free admittance to the office). I had to go to his house and talk to Azaronak on the staircase. Instead of talking to me there, he tried to invite me into his apartment, where his family was, including a baby. He is a weird person.

I do not regret what I did, although that "lesson of ethics" cost me 60,000 rubles in fines.

[Halko] How did your party colleagues react to the slapping incident?

[Statkevich] The Hramada's congress did not discuss this issue in any way.

[Halko] How friendly was the discussion at the recent congress, as a result of which Aleh Trusaw lost his post of chairman and you obtained it?

[Statkevich] The Hramada proved once again that it has a high intellectual and noble level. The discussion was very correct, although there were waves of emotions, too. The replacement of the party leader is primarily connected to changes in the party's policy. At the congress, nobody voiced any accusations against Aleh Trusaw. Many delegates suggested that he occupy the post of deputy chairman. Trusaw turned down the proposal, and one can understand that.

[Halko] Do you have many deputy chairmen?

[Statkevich] I do. Mikalay Kika is deputy chairman for organizational issues; Uladzimir Vaskovich will maintain contacts with trade unions; reporter Halina Burdyka will supervise ideology; Pavel Znavets will be responsible for legislative elections; [former Foreign Minister] Petr Krawchanka will take care of international ties.

[Halko] You have a serious organization. However, in my opinion, with the exception of Krawchanka, your deputies are people who are hardly known thus far. Does the Hramada face the problem of creating its image, which would undoubtedly facilitate participation in the elections and other undertakings?

[Statkevich] I am an advocate of collegial rule, although every party inevitably becomes associated with the name of its leader. The Hramada has taken a certain risk. My image among party colleagues is substantially different from my image created by the media. Party members, for instance, believe that I am a pragmatist and a goal-oriented person.

The problem of creating an image is undoubtably important. It is very important that the media closely observe politicians and do not spread lies.

[Halko] Is the Hramada a great force?

[Statkevich] The party comprises 80 rayon branches and almost 2,000 people. This number does not include our advocates; we only acknowledge strict membership.

[Halko] The legislative elections were a failure for the Hramada.

[Statkevich] Unfortunately, only one deputy representing the party won a seat in the legislature. That was Pavel Znavets; elected in a rural constituency, where he faced tough competition.

[Halko] Who is he by profession?

[Statkevich] He is a lawyer.

[Halko] What is your personal vision of merging with other parties?

[Statkevich] My personal belief is: We have to unite. People currently do not have a great trust in democratic forces. Two parties — the Belarusian Popular Front and the Belarusian Communist Party have clearly defined electorates, some 10 percent of the Belarusian electorate each. However, the group of their adversaries is even bigger.

There is a great number of parties which simply bamboozle their electors. Can you believe this: Five or six parties represent the same views!

In my opinion, the social-democratic party should maintain close contacts with trade unions to protect human rights, hired workers, or pensioners. The parties that acknowledge those principles undoubtedly should unite.

Incidentally, the idea of establishing a social-democratic union is being gradually implemented. NARODNAYA GAZETA has carried reports about this.

[Halko] Do you feel personal sympathy to any politician?

[Statkevich] I have very good relations with Dabravolskyy, while with Mr. Karpenka we hardly ever met. Thus, I cannot say anything good or bad about him. I can say that Karpenka's deputies Karol and Loyka are talented people.

[Halko] Many politicians are bitterly criticizing the current economic situation and the policy of the current leadership. What is your attitude toward the supreme echelons of power and the president? The views and words of politicians are said to correspond to the sentiments within society. Why then does their rating not come close to that of the president?

[Statkevich] On many occasions, our parties and their leaders act unprofessionally. They simply do not know how to talk with people — they talk more about ideals than about social problems. In a country in which the state leadership is elected by voters it is impossible to be both a politician and a prophet, because prophets address elevated spiritual matters, while politicians have to primarily take care of everyday issues.

The democratic movement has to draw conclusions. Lessons should be learned from defeats.

[Halko] Do you also mean the Popular Front?

[Statkevich] Of course I do. By the way, I am the first party leader — not mentioning Mikhas Tkachov and Aleh Trusaw — who has never been a Popular Front member. Nonetheless, I treat the Front's leadership with respect for reviving our culture and language.... Their names will be written in history books in gold letters.

[Halko] Do you maintain personal contacts with Zyanon Paznyak?

[Statkevich] Unfortunately recently, the number of those contacts — let us put it this way — was reduced. The slogan that the BZV is a militant detachment of the Popular Front is fallacious and damaging because it narrows the BZV's social base. Although I have resigned from the post of the BZV's chairman, I am not indifferent to the organization's future.

[Halko] Where do you get funds?

[Statkevich] We have a well-organized system of collecting party membership fees. Neither do we reject donations.

[Halko] Are you involved in party activities alone?

[Statkevich] I live on my military pension, which is a stable source. We have never raised the issue of living on party money.

Inflation Reported Declining, Dollar Rate Stable

WS2807125595 Minsk Radio Minsk Network in Belarusian 1000 GMT 28 Jul 95

[FBIS Translated Text] Over the first six months of 1995, prices in Belarus grew 2.5 times faster than the dollar exchange rate against the national currency, a Belarusian National Bank representative has told the Financial Information Agency. According to statistics provided by the bank's experts, the inflation rate in Belarus declined from 38.8 percent in January to 2.5 in June. The dollar exchange rate growth measured against the dynamics of inflation dropped from 21 percent to 2 percent monthly. In addition, the official Belarusian exchange rate against the dollar, based on the trade results at the Belarusian Currency Exchange, is 11,500 rubles for $1 and has remained unchanged since late February.

Moldova

Defense Minister Concludes Visit to Ukraine

AU2907165395 Chisinau BASAPRESS in English 1930 GMT 27 Jul 95

[FBIS Transcribed Text] Chisinau BASAPRESS, 27/7/1995 — The necessity to give momentum to the cooperation relations between Moldova and Ukraine in the military field constituted the purpose of the discussions held by the Moldovan Defence Minister Pavel Creanga with his Ukrainian counterpart in Kiev. During his visit the implementation of the cooperation agreements previously signed were debated, Viorel Ciubotaru, Defence Ministry spokesman, told BASA.

They agreed on training of Moldovan officers in Ukrainian military institutions and signed an agreement on common activity of the experts for establishing further cooperation, staff training and information exchange. The possibilities of a military equipment exchange will be also examined. Ciubotaru mentioned that Moldova's military cooperation with Romania and Ukraine "is of vital importance." According to the military doctrine adopted by the Parliament, Moldova does not consider its neighbouring countries as potential enemies.

At the recent negotiations held in Kiev, some aspects of crossing the Ukrainian territory by the forces and belongings of the 14th Russian Army in its withdrawal were discussed, agreeing on the principal moments of this problem.

Yevhen Levytskyy, counselor of the Ukrainian Embassy in Chisinau, stated Ukrainian and Russian experts are preparing the necessary documents on the manner of Russian forces' withdrawal over the territory of Ukraine and are considering details of this operation financing, railways and energy.

Russians To Resume Arms Destruction Near Rabnita

AU2907182495 Chisinau INFOTAG in English 2013 GMT 28 Jul 95

[FBIS Transcribed Text] Rabnita INFOTAG, 28/7/1995 — Next week the annihilation of Russian armament and ammunition will be resumed in a quarry 30 kilometers away from Rabnita, communicated the city administration.

According to an official source, local authorities and the Russian Army management have reached agreement on all related issues. Some time ago the procedures paused at the protest of the local environmental committee, which had indicated serious deterioration of environment. Rabnita residents from the region overlooking the quarry supported the protest.

Now all disagreement is settled. The military guaranteed that the annihilation will not affect the environment. We understand that delays in annihilation of expired and not transportable ammunition is fraught with calamity. We want to insure ourselves against it, said the official.

Moldova, Dniester Stances on Russian Troop Pullout

MK2907120695 Moscow KOMMERSANT-DAILY in Russian 29 Jul 95 p 1

[Report by Ilya Bulavinov: "Situation in Dniester Region. 14th Army: They Pull, They Strain, But All in Vain"]

[FBIS Translated Text] The situation in the Dniester Region has outwardly stabilized after the departure of General Lebed from Tiraspol. The new commander of the Russian contingent, Valeriy Yevnevich, seems to have hit it off with both the Chisinau and the Tiraspol leaders; the destruction of ammunition from the military depots has begun. The horrors surrounding "personnel cuts" in the former 14th Army seem to have calmed down. It is not ruled out, however, that the relative calm that has set in in the Dniester Region is only the calm before a new storm.

One of the key questions that disturbed everyone in the wake of Lebed's discharge was whether his subordinates were going to rebel. Defense Ministry leaders, however, have managed this problem and, according to a KOMMERSANT-DAILY source in Tiraspol, Yevnevich is currently in full control of the situation in the units in his charge. The unprecedented ebb and flow of distinguished visitors to the army — Pavel Grachev, his deputy Konstantin Kobets, deputies to the chief of the General Staff and the ground forces chief commander — has done its work. The most intractable have been sent on leave for the time being. The rest have been paid back salaries and promised housing. The biggest likely victim is going to be General Popov, 59th Division commander, who went on a hunger strike in protest against Lebed's dismissal. Grachev once dropped it before the press that the division commander had been asked to join the General Staff Academy. However, according to KOMMERSANT-DAILY's information, Popov was asked to hand in his separation request. The other officer, Tiraspol garrison commander Mikhail Bergman — expected to fall if Lebed left and an implacable fighter against Dniester Region corruption — is said to have achieved harmony in working with the new commander. The commandant's influence has markedly diminished — his subordinates no longer patrol the city streets or capture local mafia men, but Bergman has kept his position. According to KOMMERSANT-DAILY's information, Igor Smirnov, president of the Dniester Moldovan Republic [DMR], notified Yevnevich on 26 July that he is suspending the demolition of ammunition on the grounds that this threatens the ecology. The military assumes that ecology is only a pretext, whereas the true objective is to get the ammunition recycled at a factory in Ribnita, to be subsequently resold instead of simply destroyed. Despite Smirnov's [sentence unclear] grow.

While they were arguing on the left bank of the Dniester about how and what should be blown up, Moldova Defense Minister Pavel Creanga went to Kiev. No longer counting on Moscow, perhaps, the Moldovans are trying to independently solve the Russian troop withdrawal problem: The main point of Creanga's talks with his Ukrainian opposite number Valeriy Shmarov was transit of military trains across Ukraine. Having received promises to solve the problem, a heartened Creanga even announced that the withdrawal of troops from Moldova would begin without the Russian State Duma having to ratify a corresponding agreement. Which goes to show: The current Moldova authorities will do their best to hasten the start of troop withdrawal under conditions of a growing political crisis. Thus the incompatible interests of Moldova and the DMR clash over the Russian troops. A denouement largely depends on whether Gen. Yevnevich manages to keep the situation in the army and around it under control. And, of course, on what Moscow is going to do: indeed, it holds the effective economic levers of influence on Chisinau and especially on Tiraspol.

Officials Discuss Meeting of Moldovan, Dniester Leaders

AU2907164595 Chisinau INFOTAG in English 1930 GMT 27 Jul 95

[FBIS Transcribed Text] Chisinau INFOTAG, 27/7/1995 — Another meeting of Moldovan and Dniester experts took place in Chisinau on Thursday [27 July]. The meeting was led by the deputy minister of justice, Mihai Busuleac, and the state secretary of unrecognized Dniester republic, Valeriy Litskay. Intermediary mission was carried out by the resident representative of the Organization on Security and Cooperation in Europe (OSCE), Michael Wygent, and the Russian representative, Vladimir Sirin.

The experts tackled a set of documents subject to discussion at the next meeting of Moldovan President Mircea Snegur and Igor Smirnov, Dniester leader. The meeting is scheduled for September, 13. Tradition of monthly state leaders' meetings is valid though may be upset by approaching vocations.

The two groups of experts will go on working in August. Yet the results of their work will be seen only upon the summit talks. In the meantime the counterpart ministries and institutions of Chisinau and Tiraspol will conduct intensive preparation for the leaders' meeting. One of the meetings will bring together the two ministries of defence. It will touch upon armament records and resumption of annihilation of Russian ammunition.

Speaker Concerned for Parliamentary Majority

MM3107082695 Moscow RABOCHAYA TRIBUNA in Russian 28 Jul 95 p 3

[Unattributed report: "Split in Party — Split in Parliament"]

[FBIS Translated Text] Chisinau — Petr Lucinschi, chairman of the Moldovan parliament, has expressed concern at the possibility of a split in the parliamentary majority because of conflicts within the ruling Agrarian-Democratic Party. They emerged openly after President Mircea Snegur quit the party along with 11 deputies who support him headed by vice speaker Nikolay Andronikov.

Let us recall that the disagreements within the Agrarian Democratic Party became obvious after President Mircea Snegur put forward a legislative initiative to replace the Moldovan language in the constitution with Romanian.

Opposition Leader: Snegur 'Fell Prey to Dull Advisers'

AU2907181895 Chisinau INFOTAG in English 2013 GMT 28 Jul 95

[FBIS Transcribed Text] Chisinau INFOTAG, 28/7/1995 — The deputy chairman of the United Democratic Congress (UDC), Ion Hadarca, denounced the forecast of Romanian newspaper EVENIMENTUL ZILEI alleging that "the most prominent pro-Romanian power — the Democratic Forces Alliance — and the Party for Revival and Concord may form a coalition."

The newspaper referred to Hadarca, who "assumed" coalition on the ground of coincidence of "the new party's center outlook with political doctrines of the UDC and the Block of Peasants and Intellectuals."

Ion Hadarca said that EVENIMENTUL ZILEI "tendentiously picked up and interpreted his statements." He added that false rumors in mass media forced him to specify his position on this issue in the FLUX newspaper. His article "Mircea Snegur — The Victim of Dull Advisers" reads: "The Democratic Forces Alliance served elections and may either dissolve or turn into a long-term political union." With regard to the UDC Hadarca stated that "despite political tricks of merging and splitting, the UDC will stand firm.... It has enough reserves to rely upon itself. It will persevere in its political identity regardless of the situation."

The quoted article reads that upon withdrawal of 11 MPs from the PDAM [Democratic Agrarian Party of Moldova] the "party is led by the Prime Minister Sangheli and inter-front socialists." The author negatively refers to the loss of three leading parliamentary positions incurred by Snegur, "while agrarians retain the majority and ability to amend the constitution in unison with the socialists."

"Like Napoleon, Mircea Snegur fell prey to dull advisers, who called the tune of easy victory. He is in for a brutal struggle with strangers. It will be hard to find the wits able to outguess the strangers," summed up Hadarca.

PDAM Moves To 'Consolidate Ranks' After Defections

AU2907165295 Chisinau BASAPRESS in English 1930 GMT 27 Jul 95

["Political Commentary"]

[FBIS Transcribed Text] Chisinau BASAPRESS, 27/7/1995 — The Agrarian Democratic Party (PDAM) proceeded to concrete actions to consolidate its ranks broken after the defection of 11 deputies and constitution of the Party for Revival and Conciliation (PRCM). The agrarian leaders preferred to debase the damage brought about by the 11 defectors called "opportunists and accidental followers" in an appeal to PDAM members. The same appeal qualified them as "advocates of the opposition's ideology." The PDAM Board demanded the parliamentary faction to divest the defectors of their deputy seats quoting the parliamentary regulations. The agrarian faction was also charged with initiating parliamentary debates on an official language referendum considered "completely aberrant" by the new opponents from the PRCM and always by the opposition.

The definitive disruption between the PDAM and "the renascentists and conciliators" showed itself by the dismissal of Nicolae Andronic from deputy speaker, Ion Ungureanu from chairman of the Commission for State Security and Eugen Rusu from chairman of the Commission for Appointments and Immunity. Judging by the PDAM decisiveness other 3 commission deputy chairmen and 2 secretaries might leave their posts as well.

At a press conference, PDAM leader Dumitru Motpan denied that the "cleansing" of the party from undesirable elements could extend to the government or local administration. But, he said none of the parties would have included such a large number of candidates in its electoral list without being its members.

The PDAM Board will convene an extraordinary congress on September 2, a few days after the first PRCM congress.

In their statements they could not omit President Snegur. "The father of the country," said the above-mentioned appeal, "is not a state function even though it is of the top rank. This title must be also deserved before the people and history." Despite polite statements, the PAM-PRCM relationship will not be peaceful during political debates.

"What has happened and is happening denotes once more that we live under dictatorship that does not accept other opinions," Nicolae Andronic told reporters immediately after his dismissal. He addressed the Constitutional Court only with the intention to restore justice and not to bring deputy Andronic back to his old function. Asked why only the socialist and agrarian factions voted for his dismissal, Nicolae Andronic said: This proves that the agrarians had digressed to the left.

Ion Ungureanu, one of the commission heads dismissed, earlier said the parliamentary regulations allow the PDAM faction to divest the 11 deputies of their mandates. however, this contradicts the Constitution which stipulates that the deputies serve the people and not a party. Dumitru Motpan later retorted that people voted for the parties' political programs and not for people.

The opposition, however, was cautious and circumspect in its statements. Deputy Ion Hadarca, one of the leaders of the United Democratic Congress (CDU), denied the rumours that the CDU was ready to conclude a partnership with President Snegur. He said the CDU had enough political experience not to jump into conclusions and a statement on this regard would be issued in the nearest future. "We have first to see if the reasons for the emergence of the new party and its principles are not a political whim," said Hadarca. Iurie Rosca, leader of the Christian Democratic Popular Front (FPCD), also had reservations about the recent regrouping of forces. At a conference he said the division of the PDAM made it more difficult for the electorate to identify the political rival. Moreover, when voting for matters of principle, the PDAM and the 11 defectors have solid common views which proves that this is a dispute between pretenders to maximum power and not a divergence of opinions. Under these unpredictable political circumstances, the legislature will start its summer vacation.

Agriculture Minister on Cereal Exports, Fuel Imports

AU2907164795 Chisinau BASAPRESS in English 1930 GMT 27 Jul 95

[FBIS Transcribed Text] Chisinau BASAPRESS, 27/7/1995 — Moldovan cereal crop producers will be able to take out export licences only after paying off all debts and covering internal needs. Farms have to deliver crops to the government to pay off fuel debts and arrears to the Social Fund. The government intends to collect up to 40 percent of all cereal crops.

Agriculture Minister Vitalie Gorincioi stated at yesterday's meeting of the agriculture ministry that Moldova might export this year 350,000 metric tons of cereal crops; this is by 100,000 more than the forecasts. Gorincioi specified that 350,000 will be the final figure to be approved Friday by the government. He said Moldova might export cereal crops to cover its debts to suppliers of fuel and raw materials and to find new markets. Armenia and Georgia intend to import some 100,000 metric tons, said Gorincioi, adding "these exports can materialize if we agree upon advantageous prices."

According to official statistics, to date over 150,000 metric tons of grains have been stored in state granaries. The Cabinet of Ministers intends to lift collection quota from the earlier established 250,000 to 350,000.

Foreign Trade Statistics Viewed in First Half Year

AU2907165195 Chisinau BASAPRESS in English 1930 GMT 27 Jul 95

[FBIS Transcribed Text] Chisinau BASAPRESS, 27/7/1995 — Moldovan exports to CIS member states were up 30 percent during the first six months of 1995, while trade with other countries increased 2.4 times as compared with the same period of 1994. The bulk of Moldovan exports to Eastern and Central Europe rose 2.3 times and European Union 2.4 times. Moldovan exports to Russia were affected by application of excise stamps on alcoholic beverages and cigarettes. Exports to Belarus were dragged down by import duties imposed by the Government of Belarus, was mentioned at today's session of the Department Commission for Foreign Economic Ties, Foreign Investments, Technical Assistance and Humanitarian Aid. Dumitru Braghis, head of the Foreign Economic Relations Department, told BASA that CIS accounted for 65 percent of all Moldovan exports made in the first half of 1995. This is by 10 points less than in the same period of 1994. The bulk of trade with other countries increased up to 35 percent. The increase trend in exports to the West will persist in the second half of 1995.

Moldova's foreign trade turnover was $640 million in the first six months; this is by some 27 percent high than in 1994. The foreign trade balance had a $47.4 million deficit.

Kazakhstan

President Holds Meeting on Constitution Amendments

LD2807145095 Almaty Kazakhstan Television First Program Network in Russian 1100 GMT 28 Jul 95

[FBIS Translated Excerpt] Today President Nursultan Nazarbayev held a meeting with the Expert Consultative Council on proposed amendments to the draft constitution.

The president was told that in the last few days, the main discussions on proposals and remarks to amend the constitution, apart from those of which he has been already been informed, were on Article 23, on trade unions. To this, Nazarbayev reacted immediately: accepted.

As for the proposal of some compatriots who doubt the necessity of compulsory secondary education, it surprised not only the president. As is known, when the whole world is striving to move forward, education, at least the minimum of knowledge, is an indicator of the level of a country.

As regards Article 5, Paragraph 5, on foreign and religious organizations, a weighty argument has been put forward: it is known that allegedly religious organizations have pursued political aims and used terrorist actions in order to achieve them.

Afterward, the president touched on those points that worry him as head of state.

[Begin recording] [K. Kolpakov, member of the Consultative Council of Experts] The discussion dealt with three issues: there was a detailed and comprehensive discussion on the possibility of returning to the present name of the republic — to leave it as the Republic of Kazakhstan; the second issue was related to parliament, primarily the number of deputies in the lower house; and the third issue was connected with constitutional activity. [end recording] [passage omitted]

Prime Minister Qazhygeldin Holds News Conference

LD2907162495 Almaty PANORAMA in Russian 22 Jul 95 p2

[FBIS Translated Excerpt] On 18 July, a news conference took place at the government residence, held by the head of the cabinet, [Prime Minister] Akezhan Qazhygeldin. [passage omitted]

Answering a question on what action the government would take over the unsanctioned meeting of the Karaganda miners, and whether there would be a new subsidy for the coal industry, he mentioned that twice - in April and November 1994 - the Cabinet of Ministers accepted documents from the same Karaganda miners on liberalizing relations between the state and coal-industry enterprises. The latter were offered privileges to accumulate assets and further to improve the sector.

Precisely at the miners' insistence, prices for their products were virtually totally deregulated in April last year. "When prices for coal have been deregulated, there can be no question of subsidies," the prime minister stated. "The coal enterprises have the right independently to raise and lower prices. It would be more logical to discuss the issue of subsidies with power engineering specialists, who are the main consumers of coal."

As Mr. Qazhygeldin said, the government knows what should be done with the coal sector - its approach is similar to that practised in Russia. Only profit-making mines will be preserved, the rest will be subject to closure. At present the Cabinet of Ministers is considering proposals coming in on preparing government-run rescue packages for the coal industry. This primarily concerns the Karaganda Coal association, as the Ekibastuz association does not need a government-run rescue package.

"Well, as for the meetings, it is a private matter for the leadership of the Karaganda enterprise," Mr. Qazhygeldin said in conclusion. [passage omitted]

As for the crisis emerging at the Ust-Kamenogorsk lead and zinc plant, it is a result of systematic looting and misappropriation of working capital, the head of the Cabinet said. The is also the basic reason for the crisis that many other leading enterprises of the republic are experiencing at present, as shown by state monitoring, which is continuing today. "Unfortunately, these are ever more instances of this sort," the premier complained. He also said that one-and-a-half to two months after this or that enterprise has been put into management, the government receives audit results showing the complete insolvency in relation to the balance under which it was transferred. For example, the balance shows debts of two billion [tenge], but the audit shows up six. As a result, Cabinet members are put in an awkward position, and have to sign a new, corrected management agreement.

The Ust-Kamenogorsk lead and zinc plant has no working capital, but does have great debts. Nevertheless, the plant management felt able to afford the luxury of building subsidiary industries, such as brick- and cheese-producing plants for big money. According to Qazhygeldin, the enterprise is at present under a government-run rescue package regime, and the government hopes to find an investor to take it under management-control. A consortium, including foreign and local entrepreneurs, has been named as the managing company - the Vostok nonferrous metallurgy investment corporation. However, it still cannot find the working capital necessary for investing in the East Kazakhstan group of enterprises. Despite this, the prime minister gave assurances that the rescue package will be carried out, and thousands of workers will not be thrown to the mercy of fate. He added that the government intends to carry out an experimental management transfer at the "Eastern Kazakhstan group", to obtain a prototype for the future fully-valid holding company.

The problem is aggravated by the unusual nature of the privatized Ust-Kamenogorsk lead and zinc plant - the government accounts for no more than 27 per cent of its assets. However, the enterprise's work-force has given their consent to hand over their part of the assets - 10 percent - if the government proposes active measures to extract the plant from crisis, on which the government is working. Mr Qazhygeldin promised that in mid-August the question of putting the Ust-Kamenogorsk plant into management would be solved.

As for a request to comment on persistent rumors about his imminent resignation, supposedly caused by conflict with the president of the republic, the head of the government answered that he is not aware of such insinuations. At the same time, he explained the nature of such rumors: "A new parliament arrived last year, the president stood his ground, and the first thing they said was that the Tereshchenko government should go. Now the parliament has gone, after a referendum in which the absolute majority of Kazakhstan's citizens said 'yes' to their president. And the government remains in place."

As for his relations with the president, Mr. Qazhygeldin gave this assurance: "They are good. We are working on the same basis as before." [passage omitted]

Regarding a promise made a month ago on putting three oil and gas sector enterprises up for sale, Mr. Qazhygeldin suggested asking Meryll Lynch and the Kazakh Commercial Bank which, along with the State Property Committee, are agents acting in the name of the government on this matter. He expressed an unwillingness to announce anything in advance, but did say that those who intend to participate in the privatization of the oil and gas industry should pay one million US dollars into the Kazakhstan state budget for the right to participate. Mr. Qazhygeldin added that the government would in this case like to use the tried and tested method of firstly putting the enterprise into management; however, when it comes to large partners like Mobil, one need have no doubts.

In reply to the question as to whether depositors at banks whose licences have been withdrawn (Kazmetallbank and others) are in the same position as the misguided clients of trust companies, the prime minister gave assurances that, while the state still holds part of the banks' assets, the government and National Bank bears responsibility to the citizens. In general, the cabinet will begin the process of liquidating banks with mixed capital, as a result of which only 100 per cent state-owned or purely commercial banks will remain. There is a system of so-called joint-stock-commercial banks - Turanbank, Temirbank, Kredsotsbank and others, the majority of which, in essence, remain state-owned, with the state moreover possessing 100 per cent of the assets. [passage omitted]

Fairness in Leninsk Agreement Questioned

954F2889B Almaty GORIZONT in Russian 21 Jul 95 p 5

[Article by Balembay Shyndykov: "Today Leninsk—Tomorrow What?"]

[FBIS Translated Text] In literally one week, Leninsk (one of two cities under republic jurisdiction) will cease to belong to Kazakhstan for 20 years. A agreement to this effect was initialed by Russian Deputy Prime Minister Aleksey Bolshakov and Kazakhstan First Deputy Prime Minister Nigmatzhan Isingarin.

High-ranking statesmen explain the decision in this manner. Kazakhstan has transferred Baykonur to Russia for a prolonged period of time. It is for this reason, supposedly, that the governments of the two countries considered it necessary to transfer Leninsk as well (most of whose population work in providing services to the Cosmodrome) to Russian Federation jurisdiction.

It is appropriate to note that the signing of the Baykonur agreement remains little noticed. If we exclude the drab materials published in the Kazakh press and skimpy reports appearing in the Russian mass media, we can say that this historic event elicited no special reaction from either side. This is understandable to some extent. Politicians in our neighboring state are more concerned today with other problems—the war in Chechnya and upcoming elections—than with "some Leninsk down there." The situation in Kazakhstan is similar. Very soon we will be involved in adoption of a new constitution and the move to Akmola. The community too, except for certain radicals according to the powers that be, has refrained from open commentary.

Does this mean that problems do not exist? Does it mean that Leninsk should actually remain off by itself, outside the boundaries of global Kazakh-Russian relations?

Let us try to delve into this more deeply, ponder it thoughtfully, and attempt to assess the situation realistically, taking into account all the consequences of the agreement.

I, for one, am not reassured to the slightest extent by the public statements of certain officials, who assert that the transfer of Leninsk will not even touch upon the state interests of Kazakhstan. I do not know at whose initiative these gentlemen "are singing," but I will venture to disagree with them.

Let us examine the matter. Adherents of the agreement assert that until recently the city was financed by Russia to the extent of 94 percent, and now they say Kazakhstan is relieved of the burden to pay the remaining 6 percent. Questions immediately arise. Was it worth causing a problem because of this miserable 6 percent, if the expenditures were not really burdensome to begin with? After all, the population of Leninsk does not exceed 100,000 (many of whom are specialists in shortage specialties!). A second question: How much will be afforded the republic for ecological normalization of this locality after 20 years of intensive use? A third: Does it not seem to you, my dear opponents, that introduction of the ruble into Leninsk will undermine stabilization of the tenge there? And fourthly: To whom will belong the profits from Baykonur and enterprises of the defense departments? It is perfectly clear that if they are not profitable, their production lines will be reprofiled. In any case, the industry of Leninsk will not be providing Kazakhstan any benefit in the foreseeable future. If production lines are changed, Russia will remove all equipment upon expiration of the term of the agreement. If they are not, the burden of conversion problems will lie on the shoulders of Kazakhstan 20 years from now.

Many questions also arise from political aspects of the transfer of Leninsk to Russian Federation jurisdiction. After all, it is far from accidental that before and after conclusion of the agreement, Russia stressed repeatedly that the city would once again become a closed city, as it was during the USSR days.

Consequently, space technologies will be inaccessible to Kazakh specialists—an exceedingly unpleasant prospect. The space sector, in which Kazakhstan clearly does not shine at present, is considered very contemporary.

The closing of Leninsk has another undesirable aspect. Alarmed in recent times by the increase of imperial sentiment in Russia, the West may now directly or indirectly categorize Kazakhstan as one of the Russian Federation's strategic partners. The "Big Seven" will have an extra reason to limit financial support to the "Russian bear," and Kazakhstan along with it.

We must consider that the problem of Leninsk began to take shape as far back as the postwar years, when construction of the celebrated Baykonur facility—later to become the pride of Soviet science—began near the Tyuratam station of Kzyl-Orda Oblast. There has been and continues to be nothing else like the Cosmodrome in the world.

Dispute surrounding Baykonur and Leninsk began to make its presence known immediately following the collapse of the Soviet Union. But it acquired a strange nature. Clearly, Kazakhstan alone is not up to supporting the vital activity of the Cosmodrome and the city. The optimal alternative of resolution of this problem, in my view, might be establishment of the precedent of joint Kazakh- Russian possession of Baykonur. But the position of a number of Russian scientists is not understandable in this regard—having demanded first from the government of Ye. Gaydar, and then from that of V. Chernomyrdin, complete transfer of Baykonur to Russia. What about Kazakhstan's sovereignty? And what about the circumstance that after the demise of the USSR, the Cosmodrome automatically became the property of Kazakhstan?

In general, the problem of Baykonur and Leninsk has been resolved in the legal sense. But how fairly?

Ministry Chief on Leninsk Deal With Russia

954F2889A Almaty GORIZONT in Russian 21 Jul 95 p 5

[Interview with Andrey Demin, head of the Directorate for International Legal Support of the Republic of Kazakhstan Ministry of Justice, by Rafael Balgin; place and date not given: "A Leased Cosmodrome"]

[FBIS Translated Text] In recent times the people of Kazakhstan have seen the legendary city of Leninsk on their television screens in a terrible state. Due to an inability to bear the full burden of expenditures and lack of significant experience in using the Cosmodrome, this first "window" into space has lost its former brilliance and uniqueness.

Therefore, in order to maintain this facility in proper working order, it was decided through intergovernmental agreement to transfer the city of Leninsk, with its adjacent Cosmodrome and disposal areas for separated rocket components returning to Earth, on a lease basis to the Russian Federation. In essence, Russia will be maintaining the Cosmodrome, a very advantageous circumstance for Kazakhstan as it carries out its own space projects.

Andrey Demin, head of the Directorate for International Legal Support of the Kazakhstan Republic Ministry of Justice, agreed to answer questions regarding this document.

[Balgin] When does the agreement on status of the city of Leninsk and its adjacent territories go into effect? Or has it already gone into effect?

[Demin] The agreement has not yet gone into effect. It has only been initialed. In light of the fact that it affects the constitutional rights and obligations of citizens of the Kazakhstan Republic, it is obligatory that this agreement be ratified. Thus, only following this procedure will it enter into force.

[Balgin] What is the area of territory at Baykonur being leased to Russia?

[Demin] Just a little larger than 6,000 square kilometers. This includes several launch pads, the city of Leninsk, and disposal areas for rocket fragments and stages which have separated, etc.

[Balgin] Will this territory be used jointly, or is it being turned over for Russia's exclusive use?

[Demin] According to the document preparation plan and timetable, Kazakhstan's participation in space projects and programs is also envisaged. But separate documents will be drawn up prescribing the specific utilization of launch areas. The Russian Federation will not impede the use of pasture lands that have been at the disposal of the local populace over many centuries. In this regard, the system has been refined to the extent that problems are not expected to arise. Territory will be utilized on a periodic basis, i.e., people will carry on livestock grazing for a time. Then when the Russians plan a rocket launch, they will inform the populace of the time frame, and the flocks of animals will be removed.

[Balgin] What will the lease term be for the Cosmodrome? Ninety-five years, like land-parcel lease contracts for the populace, or less?

[Demin] Absolutely not. The negotiations were conducted in 1993, at which time the term was stipulated—20 years.

[Balgin] Which laws will be in effect at Baykonur—Kazakh or Russian?

[Demin] This is quite a complicated question overall, if you proceed from the fact that the lease contract and the agreement state that with respect to Baykonur Cosmodrome personnel and their family members, who are Russian Federation citizens, in the event of commission of crimes or legal infractions against Russia or its citizens, Russian Federation legislation will apply. In other instances, legislation of the Republic of Kazakhstan will apply. We have taken this agreement into account in the lease contract. The Leninsk city administration is formed by the lessee. It will be a Russian administration operating in accordance with our legislation. The budget will be financed by the Russian Federation. All subsidies and payments will come from Russia, except for those supporting social programs for Kazakh citizens who reside in this territory.

[Balgin] Will there be a blending of constitutions and laws in this territory?

[Demin] No, there will be no mixture. Russian legislation will lie at the foundation. Substantively speaking, the Russian Federation will not do anything to cause disorder and confusion. We have inserted provisions into the agreement to the effect that there will be two courts, two procuracies, representation of the Republic of Kazakhstan Ministry of Internal Affairs, a division of the National Security Committee, to be sure—these will essentially be monitoring organs from Kazakhstan.

[Balgin] Will the lessee bear responsibility for damages incurred? After all, separated rocket boosters that fall to Earth will contaminate those grazing lands with rocket fuel, right?

[Demin] Absolutely. They have to pay for this, effect restoration. All this is stipulated in the lease contract.

[Balgin] Following expiration of the term of lease, will the lessee be obliged to have everything in proper order for transfer to Kazakhstan?

[Demin] They are obliged to observe procedure. But as far as the question of individual use of Baykonur by Kazakhstan is concerned, this matter will not arise for some time—looking at things realistically, Kazakhstan will not be able to manage on its own the full weight of all the space programs. It is simply a fact that our young state has not yet formed the reserve of experience necessary to sustain individual use. In principle, we are a space power to the extent that we have the Baykonur Cosmodrome and the National Aerospace Agency recently established here. But we need this cooperation.

[Balgin] In addition to the city of Leninsk, how much administrative territory is under the jurisdiction of other states, generally speaking? We know that certain lands in the south of Kazakhstan have been transferred to Uzbekistan by lease agreement.

[Demin] In the south of Kazakhstan, a portion of the main pipeline is being leased, as an object of property, along with use of appropriate land parcels. The main pipeline and Poltoratskiy Reservoir supply the city of Tashkent with water and gas. As administrative-territorial entities, these regions have not been transferred to our neighboring state.

In addition to Leninsk, military ranges are also being transferred by lease to Russia. These do not include the nuclear range in Semipalatinsk Oblast, since Kazakhstan is a nonnuclear power. We have already signed an agreement rejecting nuclear weapons.

Kazakhstan is a space power, without a doubt. With the Cosmodrome in its territory, our republic may first of all lease this facility and derive financial gain. Secondly, with cooperation, the capabilities of our aerospace agency and our cosmonautics overall will expand. Thirdly, in attracting not just Russia, but other countries as well, our republic may become a country in which tremendous scientific potential is concentrated.

Russian-Kazakh Language Issue Reviewed

954F2890A Almaty GORIZONT in Russian 22 Jul 95 p 6

[Article by Seylbek Kyshkashuly: "What Does the State Language Lack That Is Necessary For It To Become a State Language?"]

[FBIS Translated Text] The dispute around this question has already been going on for five years, starting from the moment of the adoption of the "Law on Languages," when Kazakh was declared the only state language in Kazakhstan. It is not quieting down today either. Some say: "But what does it lack?" It has everything necessary to be the state language, from the Constitution to the Kazakh schools which, in their opinion, are opening up almost every day in all population centers of Kazakhstan. But opponents reply: "If that is so, then why is it that for the sixth year now the Kazakh language has not been able to get out of the kitchen, where our president found it four years ago?" In short, this dispute can be continued further. But, no matter how we drag it out, one thing is clear: The Kazakh language, in spite of everything, is still not the state language in Kazakhstan. Consequently, it lacks something necessary to become the state language. What? Perhaps yet another law on languages? The Constitution now in force, though it declares Kazakh to be the state language, does not make it incumbent on all citizens to know it. Moreover, it forbids such an obligation. It appears that an article must be put into the new Constitution that obligates all citizens of Kazakhstan to know the state language as its mother tongue? However, although everyone says that compulsion is necessary to implement the law, in this case it would be tantamount to a catastrophe. So what is to be done? It is gratifying that the draft of the new constitution gives us an answer to this question. It provides for the elaboration of special measures for the reanimation of the Kazakh language, of which there were none in all previous constitutions, including the last one.

So what is necessary for a revival of the Kazakh language, first of all for Kazakhs themselves, and then for all residents of Kazakhstan? Let us first listen to non-Kazakhs who, not being Kazakhs, sense this lacking more acutely. For example, this is what is said by A. Dokuchayeva, chairman of the Slavic movement Lad (AiF No. 10, 1995), who is carrying on a dispute by correspondence with Academician Kaydarov: "Quite recently, in February of this year....Academician Kaydarov....reported that allegedly Dokuchayeva personally told him that no one will compel her to like the Kazakh language, let alone study it. He is lying, I never said such words to him, because I do not think this. But I think and I say this: If Mr. Kaydarov and his collaborators create a method that will make it possible for grown people with an already ossified linguistic perception to learn the language rather quickly, I would gladly take such a course." Mr. B. Idiyayev, a Kazakh language teacher in Talgar Secondary School No. 1 (see KARAVAN No. 22, 2 June 1995), also complains that there is no method. At first I unconditionally believed Ms. Dokuchayeva and her confederates, and I thought: "Yes, they are right. Teaching non-Kazakhs, and especially non-Kazakhs 'with an already ossified linguistic perception,' is impossible without a method," but over time my belief began to waver. This is the kind of a device, for example, that Dokuchayeva resorts to: "When I go to my own housing area and I do not see one sign in the Russian language, I cannot understand why in a state which says that I am an equal citizen here that I cannot find my way around even in a housing area."

Yes, it is necessary to achieve equality of languages, and to put it into effect. But it is not necessary to talk about such a hypocritical equality of languages at which Ms. Dokuchayeva hints, but rather about genuine equality, when people who demand the introduction of two state languages know two languages, three state languages—three languages, four state languages—four languages, etc. If the leader of Lad really wanted to know the Kazakh language "with pleasure," then in the course of five years she would learn at least five Kazakh words, and, lo and behold, she would not quarrel with Academician Kaydarov and not get lost in her own housing area. For example, I will not believe in the sincerity of Dokuchayeva's words. I think that it is not the method of learning the Kazakh language that she lacks, but simply the desire. There is no need. If there were a need for the Kazakh language as a state language, Ms. Dokuchayeva, I think, would learn Kazakh in a jiffy, as we, Kazakhs, in our time very quickly learned to speak Russian without any method. However, there was a "method," and probably everybody knows what it was called. God save us from such a method in our time, because under the current conditions it would turn into grief for the Kazakh people. But what is it necessary to do to create a need in people for the Kazakh language? Apparently there is no other way than to interest and stimulate them. With a whip? Impossible. Perhaps with spice cake? We will recall history. In the 1930's in Kazakhstan Russian specialists who knew the Kazakh language were paid a wage increment. Why not revive this tradition? Enough of an incentive would appear among non-Kazakhs to learn the Kazakh language. But what about the Kazakhs? I think that to pay a bonus for the fact that they know their native language is equivalent to paying a bonus to a person who looks after his own mother. Nothing could be more blasphemous.

What is to be done? What if this bonus for Kazakhs is made with a "minus sign?" In all civilized states where, unlike ours, they value their state language, only in this way do they interest their citizens in knowing it. In France, for example, try to speak anything other than French and there and then you slapped with a "bonus" in the sum of 20,000 francs. I am not talking now about a defiant refusal to speak in the state language, which often happens here in Kazakhstan among Kazakhs. Of course, in proposing my variant, I knew that my proposal would not evoke enthusiasm among a majority of my kinsmen. At one time I had hoped for understanding on the part of Kazakhs who were not threatened by such a "bonus." But it turned out I was mistaken. It was exactly these Kazakhs who did not accept my idea. They said: "Why teach us, grown-ups, the Kazakh language? It is necessary to teach the children, to open up more children's institutions with the Kazakh language, because the future of the Kazakh language is in the hands of today's children." Yes, really, the future of the Kazakh language is in their hands. But whose hands is in it today? In the hands of today's adults, and not only the educators and teachers upon whom many Kazakhs set their hopes today, but also in the hands of parents themselves. In what language do parents bring up their children today in the home? The Kazakh language? Not at all. What is more, super-modern Kazakh families have appeared today in which the children are being brought up with every other language than Kazakh, which is considered "nonsense."

I am especially troubled by families where they believe naively and from a pure heart in the omnipotence of school and preschool institutions with regard to the Kazakh language. They gladly turn their children over, and for a whole day the children receive an "education in the Kazakh language." But when they come home they do not hear a single Kazakh word until the next day. I purposefully put the words "education in the Kazakh language" in quotation marks. The fact is that both the educators and the teachers in these institutions are among those same kind of Kazakhs who not only at home but also in Kazakh office work have the commendable habit of conversing only in the Russian language. So, tell me, what kind of future of the Kazakh language can we be talking about, given such an "education" of our children? That is why today's system of language training is dead and why the Kazakh language, despite all our efforts, can in no way get up from its knees.

It must be reborn in the family. Moreover, in each and every one. At home, in a circle of relatives, at the dinner table, in the kitchen, we—Kazakhs—should speak only Kazakh. But how can we be compelled to do this when all of us—Kazakhs—became estranged from our language a long time ago?

It is here then, in my opinion, that such a civilized measure as a fine would prove useful. Of course, it can be said: "What are you thinking, some Kazakhs today cannot even find enough money for a piece of bread, and you are proposing to fine them." But the fine should be imposed only after a person ignores a warning. I think that the matter will never culminate in a scandal, because the fine warning will be to a Kazakh like a stick to a bear. I have in mind the popular Kazakh saying: "The stick taught the bear elementary skills." Look, Kazakhs are indifferent to the Kazakh language, but the super-modern Kazakhs, who do not want to study the Kazakh language, considering it "nonsense," will throw themselves into studying the mother tongue, of course, not out of love for it, but out of fear of losing money. The main thing is that not only will they themselves study the Kazakh language, but they will compel the whole family to study. Thus, a desire will be aroused in one part of Kazakhs who do not know and who do not wish to learn the Kazakh language. But what does one do about the other part? I have in mind Kazakhs who by their position should work on the legalization of such measures, but for whom such a "bonus" is threatening. How does one awaken the desire in them, as is said among the people: "To dig a pit for oneself?" Perhaps the new Constitution of the Kazakh Republic, which also envisions exactly such a measure? Maybe, maybe.

Thus it is possible to answer the question raised in the headline: In order for the state language to become a state language it lacks nothing at all other than the desire and, once again, the desire.

Economic Statistics for First Six Months

LD3107105295 Almaty PANORAMA in Russian 22 Jul 95 p 2

[First of two instalments; final instalment to follow]

[FBIS Translated Text] PANORAMA offers its readers information from the State Statistics Committee of the Republic of Kazakhstan on the country's social and economic situation in the first half-year.

The economic situation in Kazakhstan in January-June 1995 had its own distinctive features. Above all, a stable downward trend in the monthly inflation rate from 8.9 percent in January to 2.3 percent in June was observed. The slowdown in inflation took place against the background of a relative strengthening of the tenge against hard currency. According to data from the National Bank of the Republic of Kazakhstan, at the end of December 1994 the rate was 54.26 tenge to the dollar, and as of 29 June this year it was 63.35 tenge. A relative stabilization in the dynamics of gross domestic product (GDP) is being observed this year. In the first quarter of 1994 the volume of GDP decreased by 30 percent compared with the same period of 1994 [as published], but the fall in the first quarter of 1995 was 19.5 percent. The corresponding figures for the first half of each year were 26.9 percent and 18.5 percent respectively.

In agriculture, despite measures that are being taken, the slump in livestock-sector production has yet to be halted. Index of prices and charges

In the first half of 1995 (June this year compared with December 1994), prices for industrial output in the republic increased by 38.4 percent. The highest growth in wholesale prices was recorded in January (18 percent), and in the following months a gradual slowing of their growth was observed in most industrial sectors. By the second quarter of this year the average monthly rate of price increases was two percent, or seven percentage points lower than in the first quarter of this year.

The main factors that have had an influence on the price level in industry are the stabilization of the price situation in the electricity industry and in rail freight transport, the control being exercised over price changes on monopoly markets, and the tightening of monetary and credit policy, which has produced a sharp squeeze on effective demand. Also, the relative influence of the real money supply (the money supply deflated to account for the growth in prices) upon industrial production has been weakening recently, although it remains very important.

Average prices for basic types of energy resources increased by 17 percent from January to June this year. The highest increase here (53 percent) was for raw material energy resources. The oil price increased on average by 83 percent this year, owing to a sharp increase in rental payments at the start of the year.

In the coal industry, prices rose by an average of four percent a month and in June were 28 percent higher than the December 1994 level.

In the gas sector, as a result of the reorganization and demonopolization of natural gas purchases, the growth in prices for this commodity this year (21 percent) was the lowest of all raw material energy resources.

In the oil-refining sector, the price level increased by 21 percent in the period from the start of the year (June this year compared with December 1994). With the creation of a competitive environment in petroleum product distribution, both within the republic and in respect of importers in Russia, producer prices for these goods rose only one-third as quickly as did prices for crude oil. At the end of June, the average wholesale price per tonne stood at 8,960 tenge for gas, 7,183 tenge for diesel fuel, and 3,213 tenge for industrial fuel oil. Domestic prices for gas and diesel oil have already exceeded the prices on world markets, and in the case of industrial fuel oil they have come very close to world levels, whereas the domestic price for crude oil is not even half the world price. This year, even following such important changes in respect of Kazakh oil, the price ratio for most energy resources is significantly greater than those that exist on world markets.

Among the industrial sectors producing output for industrial applications, nonferrous metallurgy and the chemical industry saw the greatest growth in prices this year. This is explained to a considerable extent by the fact that enterprises in these sectors have entered the foreign market.

In the engineering sector, while prices for equipment for the chemical and petrochemical industries rose by an average of 38 percent, prices overall almost doubled.

Charges for freight transportation in the period from the start of the year (June this year compared with December 1994) increased by 17.6 percent, equivalent to an average monthly rise of three percent over the half-year.

In the construction sector, the price situation during the half- year was determined by low investment demand on the part of customers and the high level of prices for imported materials. In addition, the rate of growth in prices for building materials produced within the republic is still fairly high. Prices in the building materials industry rose by 39 percent in the period from the start of the year (June this year compared with December 1994).

In light industry, fierce competition from foreign producers and people's low purchasing power prompted a slowdown in the growth of prices, which rose by an average of six percent a month in the first half of this year (the figure in the first half of 1994 was 35 percent). [sentence as published]

In the food industry, a sharp increase in selling prices for livestock-sector output meant that in the first half of this year animal fats and dairy products rose in price by 76 percent and meat products by 36 percent. In the period from the start of the year (June this year compared with December 1994), the prices of sugar, bread, and confectionery rose by 21 to 26 percent, tobacco and related products by 55 percent, and beer and nonalcoholic drinks by 60 to 70 percent. However, prices for liqueur and vodka products fell by seven percent owing to the limited demand resulting from high prices. Mixed fodder rose in price by almost 50 percent over this period, and this fed through into the prime cost of livestock-sector output.

Prices in the republic's agricultural sector this year are rising at almost twice the pace of the general rate of inflation and of prices charged by industrial producers. This is caused by the sharp decline in the production of the main agricultural products.

In the consumer sector of the economy, food prices for the period since the start of this year (June on December of 1994) increased by 33.1 percent. The rate at which prices grew in June — 1.6 percent — as 1.5 percent lower than in May and 7.8 percent lower than in January.

Prices of nonfoodstuff goods in June showed a 21.1 percent increase on December last year and 1.3 percent on May. In the sphere of paid services for the population, the July price and tariff index was 173.7 percent on December last year, and was 45 percent greater than the change in consumer goods prices. The largest growth rates were recorded in January and March (16.3 percent and 17.6 percent), and the lowest in May (3.7 percent). These changes are connected with the gradual transformation of the regions to the new system of payments, which allows the housing and communal service sector to operate without subsidies.

Passenger transport services became 39 percent more expensive over the past six months of this year. The almost twofold rise in the cost of rail tickets is attributable to the introduction of a new base rate calculated in Swiss francs, as well as by the change in the tenge's exchange rate against this foreign currency. The cost of air tickets has increased 18 percent in this period, the cost of bus travel increased 40 percent, and tram and trolleybus travel prices doubled.

The 33 percent increase in charges for communication services in January-June 1995 resulted from a 130 percent rise in the cost of cables and a 60 percent rise in the cost of long-distance telephone calls. Postal services and telephone and radio subscriptions remained at the same level as December 1994.

Finance and credit

According to data from the Ministry of Finance of the Republic of Kazakhstan, the revenue portion of the state budget (including the sources of the budget deficit) for January-May 1995 was fulfilled by 69.2 billion tenge (or 94.4 percent), while the expenditure portion was fulfilled by 65.7 billion tenge.

The state budget surplus in January-May — taking into account the sources of deficit repayment — was 3.5 billion tenge (one percent of GDP). Using compulsory payments into the budget and allocations from it as a basis, spending exceeded revenue by 5.7 billion tenge (i.e. a deficit).

Overall, in the first five months of this year the state budget had a revenue shortfall of 3.2 billion tenge against the forecast amount (or 5.6 percent of the forecast amount). Out of this figure, 2.3 billion tenge (or 19.7 percent) was profit tax, 500 million tenge (or 22.8 percent) was excise, and 2.1 billion tenge (or 41.3 percent) was road taxes.

Out of total budget spending, 43.7 percent (or 71 percent) was used to fund the main items of expenditure, including 1,171 billion tenge (18 percent) on state support for economic sectors, 25.2 billion tenge (or 41 percent) on social and cultural items, 7.4 billion tenge (12 percent) on maintaining the structures of state administration, government, and law enforcement.

The financial state of the enterprises and organizations in the Republic of Kazakhstan remains complicated. In January-May profits (excluding agriculture, small enterprises, banks, and insurance organizations) nominally increased 260 percent on the same period last year, including a 230 percent increase in industry. The index of prices of industrial manufacturers increased 1,120 percent over the same period, which means that in real terms there was a 270 percent fall in profits.

The number of loss-making enterprises is increasing. In the first five months of this year the number of such enterprises increased 70 percent to reach 3,276 (42.5 percent of all enterprises) by 1 June, with total losses of 13 billion tenge. Moreover, the number of lossmaking enterprises and organizations ranges across the various economic sectors from 27 percent in industry to 75 percent in the housing sector.

The volume of debts both receivable payable is increasing month by month. In May alone, debts payable in those economic sectors that were surveyed increased 13.8 percent to reach over 354 billion tenge by 1 June; 19 percent of this figure, or 163.6 tenge, represented overdue debts. (Overdue debts account for 46.2 percent of total debts payable.) These figures have increased 140 and 210 percent, respectively, since the beginning of the year.

The debts receivable of enterprises and organizations in industry, construction, transport, and agriculture increased 16.6 percent over the month [May] to reach 259.8 billion tenge as of 1 June, or 47.7 percent of the total volume of debt; this figure included overdue debts of over 123 billion tenge (a growth of 24.6 percent). These debt figures [for debts receivable and overdue debts receivable] have increased 110 percent and 190 percent, respectively, on January.

Debts that were more than three months overdue amounted to over 88 billion tenge (72 percent of the total amount of overdue debts); this figure showed a 39.6 percent increase in May and a 330 percent rise on the January figure.

The overdue debt in due wages increased 18.9 percent (three billion tenge) on the previous month to reach 18.8 billion tenge (5.8 percent of GDP) on 1 June, while the April figure showed a 10.7 percent (or 1.9 billion tenge) drop on the March figure. This debt showed an 80 percent increase in May on the January figure.

Tajikistan

Karimov on Joint Cooperation With Iran, Turkmenistan

LD2807192495 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 28 Jul 95

[FBIS Translated Text] A Tajikistan Government group in Ashgabat is preparing documents for the trilateral Tajik-Turkmen-Iranian agreement on joint economic cooperation. On 27 July, our correspondent met the Tajik Prime Minister Jamshed Karimov. Listen to his interview on this topic.

[Begin recording] [Unidentified correspondent] A group is working in Ashgabat, I think, to strengthen the trilateral Tajik-Turkmen-Iranian agreement signed at the highest level, Please, give some details on this agreement. When and who are to sign the agreement?

[Karimov] This issue is being worked out at the moment. Unfortunately, the Iranian side did not arrive in Ashgabat on 23 July as had been agreed. In connection with this, the Iranian side is expected to arrive soon and, after this meeting, information may be given about the development of this event.

[Correspondent] There has been information that this agreement stipulated the supplies of crude oil and gas to Tajikistan. If these are raw materials but not finished products, then it needs to be processed into petrol, I would say, and into diesel fuel, lubricants, and gas — into liquefied gas. Where will we process these raw materials?

[Karimov] That is why the agreement will be namely an Iranian-Turkmen-Tajik one. It means oil products will be processed in Turkmenistan and supplied to Tajikistan. As for gas. then gas is to be received from Turkmenistan and to be compensated for through supplies from the Iranian side. The only thing I must tell you is that, in accordance with our republic's transition to the market economy, all these agreements were concluded between self-financing organizations, not by the governments.

[Correspondent] I was glad to hear about not only oil but particularly gas raw materials. Why? Because ours is a republic of motor vehicles. Maybe it is worth using this gas, or to fit out transport depots for gas-fuel use. Are any steps being undertaken in this direction?

[Karimov] You are right. We have two gas automobile filling stations. Today we face the task of restructuring them simply in order to replace the noticeably obsolete and worn out equipment there. This will be the first stage and the first step toward the settlement of the problem. But the petrol shortage has arisen today not because we cannot receive it from anywhere, be it from Russia, Kazakhstan or Uzbekistan. The whole problem is in launching our enterprises, which will have funds in their accounts. As soon as these funds appear at the enterprises, then there will also be petrol. [end recording]

Islamic Rebirth Spokesman: Tehran Talks 'A Step Forward'

LD2907150495 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1140 GMT 29 Jul 95

[From the "Press Review" program]

[FBIS Translated Text] The Tehran Meeting: A Step Forward — this is the headline for an interview with Haji Akbar Turajonzoda, the spokesman of the Islamic Rebirth Party of Tajikistan, which is published in the politics page of today's edition of the newspaper IRAN.

In this interview, the spokesman outlined his views on the developments during the past few years in his country since the start of the Islamic movement, when the people came onto the political arena, until the formation of the government of national reconciliation and its demise following the start of the civil war in Tajikistan.

He believes that Russian communists and nationalists play a major role in the developments of Tajikistan but he hopes negotiations lead to the desired outcome.

Haji Turajonzoda described last week's peace talks in Tehran as a step forward in solving the Tajik crisis. He says the agreement reached is to the benefit of the Tajik people. He says the first time talks were held in Tehran was in 1993.

In conclusion, Turajonzoda expresses the hope that the congress of Tajik peoples, the formation of which has been accepted by Tajik President Emomali Rakhmanov, will reach a solution to the Tajik crisis acceptable to all sides.

Government, Opposition Discuss Exchange of POW's

LD2807173995 Moscow INTERFAX in English 1533 GMT 28 Jul 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] The exchange of POW's features as a condition for more negotiations between the Dushanbe government and opposition, the head of the government delegation to the inter-Tajik negotiations Makhmadsaid Ubaydullayev said Thursday [27 July] in Dushanbe.

Ubaydullayev hopes for the earliest solution of the POW problem.

He was speaking at a conference that brought together a government delegation, representatives of Tajikistan's Islamic Revival Movement, emissaries of the International Red Cross Committee, the UN observer mission in Tajikistan and the joint commission for monitoring the realization of the ceasefire agreement, as well as representatives of the Tajik Prosecutor- General's Office.

A high-ranking spokesman for the Tajik Security Ministry told INTERFAX that Dushanbe is suggesting a "one-for-one" exchange, or the exchange of 21 men off the opposition list (initially, the government ad the opposition listed, each, 167 POW's.)

So far the negotiating teams failed to reach understanding on that problem, the same source said. Opposition representatives on the joint commission for the exchange of POW's are to brief their superiors on the Dushanbe suggestion.

Refugees To Return from Gorno-Badakhshan

LD2907093995 Dushanbe Radio Tajikistan Network in Tajik 0600 GMT 29 Jul 95

[FBIS Translated Text] A news conference was held for local and foreign correspondents yesterday through the initiative of the representatives of an international refugee organization and the main board on refugee issues of the Ministry of Labor and Employment.

(John Barbie), chief representative of the international refugee organization, stressed in reply to journalists' questions that this fall more than 9,000 refugees should return from Badakhshan Autonomous Region to their permanent homes. The refugees are, in particular, from Dushanbe and subordinated districts of the (?republic). It is currently planned that 500 refugees will return to Dushanbe and the Gissar valley districts from Badakhshan Autonomous Region in an organized convoy.

According to (John Barbie), they will be accompanied not only by military servicemen but also by representatives of the International Committee of the Red Cross. [passage indistinct] It was emphasized at the news conference that the republic's government guarantees safe passage for the refugees.

From 1 January 1995 to date, more than 3,000 refugees have returned to Dushanbe from Badakhshan Autonomous Region.

On their return, they will be provided with food for a month, and they will receive a preferential loan of 5,000 rubles.

At the end of the news conference (John Barbie) replied to the many questions from journalists.

Russian Frontier Guards Fight Drug Traffic

LD3007102795 Moscow ITAR-TASS in English 0857 GMT 30 Jul 95

[FBIS Transcribed Text] DUSHANBE, July 30 (ITAR-TASS) — The command of Russian frontier guard troops in Tajikistan points to a dangerous trend towards the growth of smuggling on the Afghan-Tajik border, primarily the smuggling of narcotics. During the past 24 hours frontier guards blocked three attempts to smuggle narcotics across the Tajik-Afghan border, a spokesman for the press group of the Russian frontier guard troops told TASS today.

On July 29 in the afternoon a smuggler, who tried to smuggle from Afghanistan to Tajikistan eight kilograms 700 grammes of chars (a narcotic substance), was arrested in an area, guarded by the Pyandzh frontier guard detachment. On the same day a group of soldiers from the Moscow frontier guard detachment detected several frontier intruders from Afghanistan with narcotics, whose amount was not established. After the intruders were detected, they opened fire. Two of them were killed and the rest went back to Afghanistan.

In the morning of July 30 300 kg of raw opium were found at a check point of the border section, guarded by the Mugrab detachment, during the inspection of a truck going from the city of Khorog (the administrative centre of the Gorno-Badakhshan Region) to the city of Osh, Kyrgyzstan. The narcotics were destroyed, and the driver was turned over to the local law enforcement agencies.

According to the information of the press centre of the Russian frontier guard troops in Tajikistan, the frontier guards have found and destroyed since early May 860 kg of narcotics.

Uzbekistan

Russian Prime Minister Concludes Official Visit

Karimov, Chernomyrdin Hold News Conference

LD2907125995 Tashkent Uzbekistan Television in Russian 1710 GMT 27 Jul 95

[Excerpts from "excerpts" of news conference by President Islam Karimov and Russian Prime Minister Viktor Chernomyrdin in Tashkent on 27 July — recorded]

[FBIS Translated Excerpt] [Unidentified Correspondent] I would like to put the following question to the Russian prime minister and the president of Uzbekistan. Let me remind you that you said you were pragmatists. How did you discuss and deal with the problem of mutual debts today? Russia is in debt to Uzbekistan and Uzbekistan is in debt to Russia. Could you please say a few words about this problem?

[Karimov] Pragmatism should not apply only to this question. Pragmatic people are those who assess the situation realistically and find realistic ways of dealing with it. This is how I understand the notion of pragmatism.

With regard to the question of mutual payments: Yes, Uzbekistan has debts on the credits and assistance given to Uzbekistan in 1990 and 1991 and perhaps on some money lent in 1992. We actually owe Russia some 400 billion Russian rubles. This was recorded in the document. Uzbekistan will make sure that repayments are made from 1996 up to the year 2000. This is recorded. Russia knows about it, and in the presence of Viktor Stepanovich [Chernomyrdin] I would like to assure the Russian delegation that Uzbekistan has always been capable of paying and has always been a reliable partner. I don't know how relations are developing with other states, but Uzbekistan will certainly pay all these debts and liabilities.

But I will speak specifically about 1995, because perhaps you are more interested in this. I would like you to assess this situation objectively. You have put out information in the Russian press which is not always objective in its assessment of reforms and events in Uzbekistan. I would like to say that Russia currently owes us $189 million from mutual transactions in 1995; please emphasize that. Draw the following conclusion from this: transactions between us should be based on full trust, without any suspicion or belief that somebody is helping somebody else or is tackling these matters free of charge.

[Chernomyrdin] Of course, the question of debts is a fundamental and significant one, because producers are the main people who suffer as a result of it. We in Russia are very concerned about what Islam Abduganiyevich [Karimov] has said. The problem of our debts, and especially our current debts for current supplies, must be resolved. This applies in particular to everything concerning cotton supplies. We will resolve this.

We are currently sorting out our policy in relation to virtually all states, although they are not treating us very well. I refer now only to current debts concerning current payments to Russia — I will not even mention the old debts about which one can only philosophize — and without those debts there would be no need for us to work with anybody and there would be no need for any international financial organizations. Things would be normal now — or at least, we would be working normally without suffering very much. Unfortunately, however, that is not the case.

Nevertheless, despite all the current difficulties, we are trying to ensure that our accounts are settled. We are taking measures. The problem exists, but we will settle our debts — mainly for cotton, and also in respect of other areas where there is a debt today — and I mean that we will do it in 1995. [passage omitted]

Unfortunately, the media write a great many different things — we write things about Uzbekistan, or you write things about us. It is now possible to talk, or ask, about whether relations are market or nonmarket in nature, and whether privatization is taking place or not taking place in Uzbekistan. When we were having our official talks today, the president [Karimov] talked about what is taking place in Uzbekistan. First and foremost is the fact that the processes of market relationships have become irreversible. What else do we need to make it sound more convincing?

I can imagine it; I realize how much I used to have of this at one time, when I was called a partocrat, a mere economist. They raked over the coals and splashed it all over the papers: Chernomyrdin wasn't a market economist, he hadn't understood it yet, etc. What did they not write? I went through all that and I know what it cost me; I know how much it costs.

We can now see who are market economists, and who aren't. We can now see where these market economists are — these fantasists — and who really have their feet on the ground. Let us ask questions, then. Maybe we really do have to ask, so that we don't feel ashamed to look each other in the face.

[Karimov] Absolutely right.

[Chernomyrdin] Then we will not be put in this position.

[Karimov] Viktor Stepanovich, we in no way identify certain publications in the Russian press with the Russian Government's position. Absolutely not. I want you to accept this statement.

Recently, very recently — one and half weeks ago — I read in IZVESTIYA that Uzbekistan is the only post-Soviet republic where the ration card system is still being maintained. Well listen, what an inventor one would have to be to write in such an impudent manner! After reading that I thought: Dear Russian citizens! You read these newspapers, so hit back at these scribblers to stop them writing such things about Uzbekistan.

I will cite you the following figures: over 4 million people, over 50 percent of the entire work force is currently working in the nonstate sector in Uzbekistan; 93 percent of agricultural products are manufactured by the nonstate sector; 90 percent of trade is carried out by the nonstate sector; 39 percent of construction work is carried out by the nonstate sector; 36 percent of industrial output out of the gross domestic product is manufactured by the nonstate sector.

I will ask you again and again why, if someone wants to find something out, they do not come here, for goodness sake. I have invited the editor of IZVESTIYA many times: Come here just once, for goodness sake. However, it suits him better to go to England, to Great Britain, because he publishes his paper, or part of it, there. However, it probably does not suit him at all to come to Uzbekistan. So what is the point of writing about us, then? Don't write about us at all. We oppose this dilettantish, superficial approach. Do not let Russia down with such pages! I think that if you want to know Uzbekistan, come and write what needs to be written about, what actually exists, in Uzbekistan.

If something happens in Uzbekistan it immediately rebounds in the Russian press for some reason. Why? Where does this so-called love for Uzbekistan come from?

[Unidentified correspondent] Viktor Stepanovich [Chernomyrdin], would you tell us whether problems regarding the Russian diaspora in Uzbekistan were discussed during today's talks with the Uzbek president, and are there any complications and problems which worry the Russian Government?

[Chernomyrdin] We did not discuss any special questions, and I currently do not see any particular problems. This issue is not simple and I would not like to simplify it; nor should others simplify it. Nationality questions have never been simple; they are not simple in our country.

I think that the main peak of the problem, as the president said, has passed in Uzbekistan. There are probably questions which will remain, but the main thing — the approaches to tackling them — currently do not cause particular concern.

Financial issues must be tackled rapidly. Financial issues — that means convertibility, transport issues, contacts. That is the most important thing, and I think this is what above all worries not only the Russians and the Russian-speaking population, but also the other ethnic groups living in Uzbekistan.

Uzbeks live in our country too. We ... [pauses] Russia is a multiethnic state. Tackling these problems is probably simpler in our country. But again, this question is so subtle and so sensitive that I think everybody should understand it, from the rank and file up to the leaders. The approach here should be far from simplistic.

I would like to repeat that we did not discuss any special problems here today.

[Karimov] The process of migration, the exodus of the Russian- speaking population from Uzbekistan, took place in the past. Today, however, I would like to say with great satisfaction that this process has virtually been halted in 1995. That is, the number of people leaving is equal to the number entering, and probably those coming in even exceed those leaving.

Here are two examples. The Navoi mining plant is a major enterprise where currently over 50,000 [as heard] people work. As you know, this plant was set up as a whole in the system of medium-level mechanical engineering, and on the whole Russian people work there, members of the Russian-speaking population. The experts, of whom we are proud, underwent training not only here in Uzbekistan, but also received good tempering at enterprises in Russia. So, speak to director Nikolay Ivanovich Kucherskiy. He says that all the top specialists who left for Russia and Ukraine two and three years ago are coming back. [passage omitted]

I would like to repeat what I told Viktor Stepanovich [Chernomyrdin] today. We had the euphoria of this process around 1991-1992. We have recovered from this illness, that is the euphoria of independence and sovereignty, and the rejection of others. We have recovered from this illness. People of each nationality currently living here must understand that we have to live together and make use of this land together, and we would like citizens of this country, of this land, to enjoy equal rights.

The only thing I would like to confirm once more — to take the opportunity to answer your question — is that we are against dual citizenship. In our conditions this is unacceptable.

[Correspondent] But...

[Chernomyrdin, interrupting] Just a minute. I would like to add something to this question. I have told Islam Abduganiyevich [Karimov] that servicemen of the former Soviet Army who have remained here, who served and are continuing to serve in the army — some of them are retiring — have turned to me with some kind of problem. Servicemen probably have problems everywhere these days, in other republics too, and currently this question is being tackled with difficulty in Russia. I discussed this problem here with the president too.

The questions concerns pensions and about leaving or staying. I understand that this issue is most difficult for a serviceman. I look at a general here, and I often have to look at and tackle these problems in my country too, and I think it probably concerns this category of serviceman above all. For this category, I would like to ask that there be a special approach to resolving the problem. But I think that this problem will be resolved here.

[Karimov] Viktor Stepanovich [Chernomyrdin], you are right, this question is also very serious.

Currently the greatest Uzbek patriots are Russian officers. This may be paradoxical, but it is true. Ask any officer who is currently serving in the Uzbek Army. They are the greatest Uzbek patriots. And for them there are absolutely none of the problems which exist in other regions and other states of the CIS. I declare this categorically. [passage omitted]

[AFP correspondent] Mr. President and Prime Minister, please clarify your common point of view on the situation in Tajikistan and Afghanistan. Is there any program of joint action? Thank you.

[Chernomyrdin] Above all, we have a common stance as regards approaches toward resolving the problem of Tajikistan. Above all, this stance concerns the fact that Tajikistan's problem and what is happening today in Tajikistan, and the fact that there is a powerful opposition bloc in Tajikistan, are all issues that have to be resolved through negotiations and the search for solutions. Above all, this conflict should not be encouraged. It is necessary to work, act, and do everything so that this conflict can be extinguished. This can be done above all by the Tajik leadership itself.

We, the neighboring states, and those who are directly involved — I mean the leaders of the two states who are sitting here as members of the group of five countries involved in Tajik peacekeeping — we are obliged to do everything possible, and are doing everything possible, to find a solution to these processes.

I can say this again, and would like to avail myself of this opportunity to tell the Tajik leadership that there are no other solutions or methods, that these solutions can be found only around the negotiating table. Whether we like it or not, we must conduct these talks and solutions with the opposition leaders, the leadership, and the opposition movement. Our positions here are identical.

As for Afghanistan, basically Tajikistan cannot be currently viewed separately from its neighboring states. We have also the same opinion and approach as regards Afghanistan.

[Karimov] Yes, I fully agree with what Viktor Stepanovich said about a political settlement of the problems of Tajikistan and Afghanistan. However, Tajikistan is closer to us, and as there is no closed border between Tajikistan and Uzbekistan, any explosion in Tajikistan — which we would not like to see — would immediately cross onto the territory of Uzbekistan.

Therefore we, above all, are interested in a political settlement of this problem, and I am satisfied that Russia is in favor of an exclusively political settlement to this issue, and views it as the principal direction for the resolution of the Tajik problem, as Viktor Stepanovich has stated here.

I would like to add that the shortsighted leaders of Tajikistan, and above all those who are currently in power, are being very shortsighted if they hope that someone else's border guards and troops will defend them while they will sit it out in Dushanbe. This is a most shortsighted and unpromising policy. We, and myself in particular on more than one occasion, have told them and tell them again that unless there is a positive approach and compromise in the resolution of the Tajik problem, this problem will not be resolved.

Therefore we call on the leadership of Tajikistan and the Tajik Government to move from declarations and empty statements to concrete compromises in the next round of talks. This is my firm opinion on this issue. We also call on the opposition to make compromises and not to issue ultimatums. Only compromise and a political settlement to this problem will resolve this issue. [passage omitted]

Chernomyrdin Visits Samarkand

LD2807180695 Tashkent Radio Tashkent Network in Uzbek 1620 GMT 28 Jul 95

[FBIS Translated Text] Today, Russian Federation Prime Minister Viktor Chernomyrdin visited the ancient and forever young Samarkand. Uzbekistan President Islam Karimov accompanied him.

At Samarkand Airport, Pulat Abdurakhmanov, head of the regional administration, Aziz Nosirov, head of Samarkand city administration, and other officials met the tow leaders.

Tourists from all over the world who arrive in Samarkand almost daily, always visit the observatory of the great astronomer Mirzo Ulugbek and the Russian guests began their acquaintanceship with Samarkand with this observatory. The museum exhibits speak of the great innovations of this magnificent scholar. The guests laid a wreath at the monument to Ulugbek located there. After that, the guests visited the Siyab Market and the abundance of good there made a great impression on them.

The conversation between the members of the Russian Federation Government delegation and the inhabitants of Samarkand continued in Registan Square, which is considered to be the heart of the city. There, artists greeted the guests with songs and music. Islam Karimov and Viktor Chernomyrdin, speaking to journalists there, said that there will now be a major upturn in cooperation between Uzbekistan and Russia.

Samarkand Railway Station is considered to be one of the largest places to have been built in Samarkand in recent years. After inspecting the railway station, the guests visited the staff of the Uzbekistan-Russia joint venture Orient-Lift. They visited the various sections of the enterprise and made an agreement that the raw materials problems will be solved quickly.

With that, Prime Minister Chernomyrdin's visit to Samarkand concluded and he left for Moscow. President Islam Karimov, Pulat Abdurakhmanov, Aziz Nosirov, and other officials saw off the high-ranking guest and his companions at Samarkand airport.

Chernomyrdin Departs for Moscow

LD2807105095 Moscow ITAR-TASS World Service in Russian 1016 GMT 28 Jul 95

[By ITAR-TASS correspondent Vilor Niyazmatov]

[FBIS Translated Text] Tashkent, 28 Jul — The three-day stay of Viktor Chernomyrdin, head of the Russian Federation Government, in Uzbekistan was concluded today with a trip to Samarkand and familiarization with monuments of this ancient town in Central Asia.

President of Uzbekistan Islam Karimov accompanied the Russian prime minister on the trip.

Viktor Chernomyrdin visited the observatory of Ulugbek, the famous astronomer of the Middle Ages, the architectural ensemble of Registan, the complex of Gur-Emir, and the uniquely colorful central Samarkand market.

A trip by the head of the Russian Government to another ancient town of Uzbekistan, Khiva, which was planned earlier, has been cancelled. Thus, having cut his stay on Uzbek soil by half a day, Viktor Chernomyrdin has left for Moscow.

Karimov Praises Cooperation With Russia

LD2907161095 Tashkent Uzbek Television in Uzbek 1600 GMT 28 Jul 95

[FBIS Translated Excerpt] Russian Federation Prime Minister Viktor Chernomyrdin's official visit to our country ended today. [passage omitted]

The same day the president of the Republic of Uzbekistan returned to Tashkent. [passage omitted]

At Tashkent airport our head of state gave an interview to the "Akhbarot" news program:

[Begin Karimov recording] Of course we need Russia, but what kind of Russia do we need? We need a democratic Russia which accepts us as an equal in an all-round way, which welcomes our successes and supports us, which is glad of our successes and is ready to hold out its hand and help us, thus finding support, strength, help and advantage for itself. This is the kind of Russia we consider close to us.

Here we should take into consideration one more thing, our national economy, production, its many sectors and major plants. Yesterday we were at the aviation plant, today we were at the Samarkand elevator manufacturing plant. Take for example this aviation plant or the elevator manufacturing plant: Uzbekistan provides 37 percent of the raw materials and other spare parts to these plants, the rest is imported, mainly from Russia. From this point of view, asking them to whom they sell these finished elevators, you will learn that Russia also buys them. That is why, if we take this situation into account ... [pauses] here at our plant, at the plant where 35,000 people work, we have aircraft which are ready. Currently we have at least 12-15 aircraft which are ready but with no engines, there are no engines there for the planes to take off. Let an ordinary citizen answer this question. What should be done? Where we can get these engines from? Of course we should get them from a Russian plant that manufactures engines. One can ask the question: why not buy them from America, Germany or France? But to tell you the truth, the engines they sell are 20-30 times more expensive and we must take into account the compatibility of these engines with our aircraft.

What is the conclusion of this? If Russia wants to cooperate with us, accepting us as an equal in an all-round way, and from the point of view of morality too - this, above all - accepting our nation, our Uzbek traditions; if it accepts us as a nation, as a people in a comprehensive way, then there is no more opportune partner than our country.

If we look to our future in an all-round way and take into account the significance of yesterday's and today's talks, the documents approved and signed, then of course we can say that it is one further step in our cooperation. And Viktor Stepanovich Chernomyrdin, the head of government, the prime minister, in his speeches on Uzbekistan television, his thoughts about us ... [pauses] his words at the welcoming ceremony a few day ago were: I have left part of my heart in Uzbekistan. Of course we must accept these words. If a friend holds out his hand, why should we reject it? That is why, at a time when these state leaders and figures of Russia are leading it along the right path, we must also support them - if necessary, by wishing them a long life - we must support them at least morally. If such people are at Russia's helm ... [pauses] Russia is a big country, with great potential and future, and if this state's leaders are like Chernomyrdin, then in my personal opinion our cooperation will be consolidated and we will have a good future. [end recording] [passage omitted]

Armenia

Arrival of NATO Delegation, Itinerary Viewed

NC2807204195 Yerevan SNARK in English
1008 GMT 28 Jul 95

[FBIS Transcribed Text] Yerevan, July 28 (SNARK)—SNARK was informed by the Press Office of the Armenian Ministry of Foreign Affairs that a NATO delegation headed by Deputy Commander-in-Chief of the NATO United Forces in Europe Jeremy McKenzie, is expected to arrive on a three-day business visit in Armenia on July 29.

The delegation intends to meet with Armenian President Levon Ter-Petrosyan, Prime Minister Grant Bagratyan, Foreign Affairs Minister Vahan Papazyan, as well as the NATO member countries' ambassadors extraordinary and plenipotentiary to Armenia.

Prime Minister Presents Government Program

NC2807205495 Yerevan SNARK in English
1550 GMT 28 Jul 95

[FBIS Transcribed Text] Yerevan, July 28 (SNARK)—Armenia's Prime Minister Grant Bagratyan submitted a governmental program for 1995-1999 to the newly elected deputies of the National Assembly.

According to Bagratyan, the Government plans to attain an annual 10 percent increase of the gross domestic product, to bring down the inflation rate to 5 percent per year, to cut the deficit of the consolidated budget to 7 percent of the gross domestic product. The Prime Minister noted that salaries at budget enterprises would be 5.5 times increased.

Bagratyan stated that the processes of privatization and economic decentralizing will continue in Armenia. Most industrial enterprises will become private by the middle of 1996. The Government intends to increase budgetary incomes. This year 56 billion drams will enter the federal budget, while last year it was only 22 billion drams.

Regarding the investment policy Bagratyan indicated the need of Government's guarantees in order to attract direct foreign investments to Armenia.

National Assembly Approves Government Program

NC3007121595 Yerevan NOYAN TAPAN in English
1659 GMT 29 Jul 95

[FBIS Transcribed Text] 29/07/95 NOYAN TAPAN—On July 29 at 6:00 pm, 24 hours after Prime Minister Grant Bagratyan had presented a program of the Government led by him to the National Assembly of Armenia, the Parliament of Armenia started its session. Since there were no motions on passing vote of no-confidence to Bagratyan's Government, the program of the Government is considered to be approved by the National Assembly.

By this the National Assembly of Armenia completed its first session.

The next session is scheduled for September 11, 1995.

Bagratyan Expresses Satisfaction With Passage of Program

LD3007163895 Moscow INTERFAX in English
1525 GMT 30 Jul 95

[FBIS Transcribed Text] YEREVAN, July 30 (INTERFAX) — The Armenian National Assembly (parliament) has approved the government program of the republic's social and economic development for 1995-1999.

According to the new order, the document was automatically approved on Saturday night since for 24 hours after it was submitted for debate on Friday, not a single deputy favored the government resignation.

The program envisages the GDP growth up to 10 percent a year and the reduction of inflation down to 5 percent a year. It is also planned to reduce the deficit of the state budget down to 7 percent of the GDP, ensure the stability of the exchange rate of the national currency — drum, the reduction of the negative balance in foreign trade down to 7 percent, as well as the growth of the average wages in the budget sphere at least 5.5 times.

The government has pledged to encourage foreign investments into the national economy, finance the development of social and production infrastructures, first of all, in the power engineering, road and housing construction, transport and municipal spheres, as well as in the development of irrigation systems. It is expected that in 1995-99, $1.5 billions in foreign and domestic investments will come to Armenia.

In an interview with INTERFAX, Armenian Prime Minister Grant Bagratyan expressed satisfaction by the adoption of the program which, according to him, "is very laconic and concrete".

Communist Party To Participate in National Assembly Work

NC2807143695 Yerevan NOYAN TAPAN in English
1609 GMT 27 Jul 95

[FBIS Transcribed Text] 27/07/95 NOYAN TAPAN—"We can cite numerous facts, proving that the July 5 elections were full of violations and distorted the will of voters. Even official data on election results published thereafter had been distorted", First Secretary of Armenia's Communist Party Sergey Badalyan said.

He considers that such disrespectful attitude by authorities to the people will not remain unanswered. Leader of the Communist Party emphasized that the authorities won over their own people, but not over the opposition. He is confident that the regime stipulated by the new Constitution "is unable to provide the people of Armenia with happiness, peace and safe future. It is unable to make our homeland as prosperous as it had been before USSR collapsed".

Sergey Badalyan announced that at a July 26 session the Communist Party of Armenia adopted a decision to participate in the work of the National Assembly of Armenia, so that to use the Parliament's tribune for expression of the will of thousands of voters.

"This will is aimed at restoring fair socialist regime in Armenia and the union of independent states, established on the territory of the former USSR, in other words, this will is aimed at implementing the ideas propagandized by the Communist Party of Armenia", Badalyan said in conclusion.

Democratic Union Refuses To Attend 1st Assembly Session

NC2807205595 Yerevan NOYAN TAPAN in English 1600 GMT 28 Jul 95

[FBIS Transcribed Text] 28/07/95 NOYAN TAPAN—Sources close to National Democratic Union [NDU] report that National Democratic Union's refusal to participate in the first session of the newly-elected Parliament was caused by "unwillingness to participate in a show, during which Chairman and his Deputies were elected".

"They would have found them in a ridiculous situation if they had protested, since there are too few of them in the National Assembly",- the same sources report, noting that on July 27 leaders of NDU were busy with staging rallies in different places.

National Democratic Union is represented in the National Assembly of Armenia by only 3 deputies, namely Vazgen Manukyan, Davit Vardanyan (the two are members of the "Karabakh" Committee) and Arshak Sadoyan.

Security Man Arrested With 'Terrorist Group'

NC2907163795 Yerevan NOYAN TAPAN in English 1238 GMT 29 Jul 95

["Ministry of National Security of Armenia Announced About Arrest of Terrorist Group in Yerevan"—NOYAN TAPAN headline]

[FBIS Transcribed Text] 29/07/95 NOYAN TAPAN—On July 29, at 3:30 pm information service of the President of the Republic of Armenia spread the following announcement issued by the Ministry of National Security of Armenia:

"Statement by the Ministry of National Security of the Republic of Armenia: The special services of the Ministry of National Security and the Ministry of Interior of the Republic of Armenia operating jointly have apprehended, during the night of July 28 in Yerevan, a group of terrorists which had planned a series of terrorist acts against well-known political figures, whose names are being withheld pending the completion of the investigation. The terrorist acts were planned for July 29, the day of the second round of parliamentary elections.

"The members of the group showed armed resistance to the arrests and in the cross-fire which lasted for ten minutes a number of officers of the Ministry of Interior were wounded.

"At this time nine members of the group, including Vahan Hovanessyan, a member of ARF [Armenian Revolutionary Federation, Dashnaktsutyun] Bureau, Manuel Yeghiazaryan, known as Manuel of 'Arabo', and Tikran Avetisyan, a member of the security corps of the President of the Republic, have been arrested.

"The other members of the group are being sought.

"A search of premises, which followed the arrests uncovered a large quantity of weapons and ammunition, as well as other material evidence.

"A criminal investigation has been undertaken.

"Yerevan
"July 29, 1995"

ARF-Dashnaktsutyun Bureau Denies Terrorism Charge

NC3007120995 Yerevan NOYAN TAPAN in English 1827 GMT 29 Jul 95

[FBIS Transcribed Text] 29/07/95 NOYAN TAPAN—Late on July 29, ARF [Armenian Revolutionary Federation]-Dashnaktsutyun's Bureau made a statement, in which it denied charges of organizing terrorist act brought against Vahan Hovanessyan, member of the Bureau, by the Armenian leadership.

The statement in particular reads:

"Using the name of a member of Dashnaktsutyun Party's Bureau who had been illegally arrested at his apartment in the statement by the leadership is a new provocation against the Armenian Revolutionary Federation - Dashnaktsutyun, by means of which the authorities are trying to create grounds for outlawing the Party, after the term of its suspension had expired.

The Bureau of ARF-Dashnaktsutyun states that the Party had no relations with terrorist groups, be it a group mentioned in the statement by the Ministry of National Security of the Republic of Armenia or any other terrorist group, which in reality may be established or invented for a provocation in the Republic of Armenia."

Azerbaijan

'Anti-907' Committee Protests U.S. 'Discrimination'

MK2907072095 Moscow SEGODNYA in Russian 28 Jul 95 p 7

[Report by Arif Useynov: "'Anti-907' Organizing Committee Is Against American Discrimination. Azerbaijan Seeks Justice, Not Merely Humanitarian Aid"]

[FBIS Translated Text] An organizing committee was founded in Baku in late June for an international "Anti-907" movement directed against the actions of the American Congress, which imposed an embargo against the provision of humanitarian aid to Azerbaijan by passing an amendment to 1992's Law 907. On 26 July the organizing committee published a statement in the weekly ECONOMICS calling on democratic institutions the world over to protest the United States' "ambivalent [dvoystvennoye] attitude" to the sovereign state of Azerbaijan. The United States, which American politicians bill as being the main guarantor of democracy in the world, shuts its eyes to the fact that one fifth of Azerbaijan's territory is occupied by Armenian armed units, and one seventh of the country's population — upwards of one million people — are refugees and forced resettlers. American congressmen, the statement says, betray the ideals of democracy by accepting such a state of affairs and denying humanitarian aid to civilians. This does not dovetail at all with talk of human rights or with the desire of the American Congress to secure the greatest advantages for U.S. oil companies producing oil on the Caspian Sea shelf. In the meantime, the statement stresses, six American companies out of 12 in the international oil consortium will have a steady profit of many millions [currency not specified] in a country discriminated against by the U.S. Congress.

The text of the statement has been passed to the world's major radio stations, forwarded to all foreign embassies accredited in Azerbaijan, as well as to the UN and OSCE headquarters and other international organizations. In the view of observers, the "Anti- 907" committee statement circulated in Turkey and other neighboring states is a most impressive action directed against the U.S. policy.

Parliament Head on Desire for Peace With Armenia

LD3107112295 Moscow INTERFAX in English 0937 GMT 31 Jul 95

[FBIS Transcribed Text] BAKU, July 31 (INTERFAX) — The chairman of Azerbaijan's parliament, Rasul Guliyev, has reiterated Baku's desire to settle its conflict with Yerevan by political means.

"However, if the aggressor does not wish to liberate our lands by peaceful means, we have no other choice than to search for other ways to free the captured territories," he declared in an interview with Azeri television Sunday night [30 July].

"The plight of more than a million Azeri refugees is intolerable," Guliyev noted, stressing that "if these refugees resort to taking up arms to regain their lands, the Azeri leadership will be unable to stop them."

Concerning the December 12 parliament debate on the bill on parliamentary elections, Guliyev reported that a one-chamber parliament was expected to be elected. The bill provides for voting being held on the basis of a mixed electoral system, with both majority and proportional elements.

In Guliyev's opinion, Azerbaijan has yet to witness democratic parliamentary elections, meaning the republic's future depends "on how democratic the approaching vote will be."

Guliyev revealed that he had appealed to the U.N., OSCE [Organization for Security and Cooperation in Europe], and parliament leaders of about 30 countries to send their representatives to Azerbaijan to monitor the elections there.

Talysh People Address Yeltsin Over Rights

NC2807211395 Yerevan Radio Yerevan International Service in Armenian 1800 GMT 28 Jul 95

[Station commentary]

[FBIS Translated Text] The leaders of the banned Talysh Party for Equal Rights for the Peoples of Azerbaijan recently sent a letter to Russian President Boris Yeltsin. The letter was signed by public organizations from Talyshstan [region around Lenkoran]. The event could be considered an important internal development for Azerbaijan.

The letter calls on Boris Yeltsin to invite representatives of the so-called Talysh-Mugan Autonomous Republic headed by the legally elected president, Alikram Hummatov, to take part in the deliberations of the Caucasian peoples' peace conference to be held in Sochi. The authors of the letter called on Yeltsin to show an interest in the Talysh people in Azerbaijan, since, despite being the second largest ethnic group in Azerbaijan, they are subjected to constant harassment and forced assimilation.

We know the former president of the Talysh-Mugan Republic is now in Moscow, although it is not clear exactly where. More significant is that the letter appeared following the visit to the region by Shumeyko, chairman of the Russian Federation Council and of the CIS Interparliamentary Assembly.

This development in the Talysh problem may be an indication that the Russian leadership is blackmailing the Azerbaijani president over his threat that Azerbaijan is ready to review its membership in the CIS if Moscow does not help it recover Karabakh. In this way the Russian leaders want to show that besides Nagorno-Karabakh, Baku has many other unsolved ethnic problems. Thus, it could be assumed that Azerbaijan's Lezgins, Avars, Kurds, and [word indistinct] too will soon appeal to Boris Yeltsin.

Ukrainian President Kuchma Continues Visit

Aliyev, Kuchma Comments Detailed

NC2907180795 Baku TURAN in English
0635 GMT 29 Jul 95

[FBIS Transcribed Text] Baku/28.07.95/TURAN—"During the negotiations we obtained the agreement on economic and other issues. The relevant organisations were instructed to prepare drafts of agreements and to submit them for signature during my visit to Ukraine," Geydar Aliyev said at today's press-conference on the results of the visit of Leonid Kuchma to Azerbaijan.

"Both Ukraine and Azerbaijan state about their independence and firmness of international principles, territorial integrity, inviolability of borders, they condemn separatism in all forms," Aliyev noted. He noted that both countries were interested in transport communications. Thus, we mean the project of cargo freightage between both countries through Georgia and Black sea. The continuation of this line through the Caspian sea and Central Asia is under discussion. Besides, he supported joint developments of oil fields in Ukraine and Azerbaijan by the specialists of both countries.

Regarding the Armenian-Azeri conflict Aliyev connects his hopes in case of the settlement the conflict with activisation of the mediatory role of Moscow. "Russia must take effective measures and put and end to this war as the country which. I still consider that Russia has the key to the resolution of that problem," Aliyev said. Azerbaijan's and Ukraine's positions coincide almost on all questions of the CIS, the president Leonid Kuchma said.

"Crimea is the problem of separatism which we condemn. International organisations must have mechanisms to prevent this conflicts before they start," Kuchma noted. He noted that the CIS will have the future only if such conflicts are resolved.

Concerning the problem of Karabakh Kuchma said: "We will appeal the OSCE with request to speed up the process of settlement of the conflict within the framework of the Minsk conference. We are ready to participate in the settling of that conflict and we can send military contingent as part of peacekeeping forces to the region," Kuchma noted.

Speaking about the perspectives of co-operation in the oil industry Kuchma noted that the problem of energy sources - is the problem number one for the independence of any country. He said that Ukraine was ready to take part in the development of Azeri oil fields and invited the Azeri oil men to participate in the development of Ukrainian fields on the Black sea shelf. "Oil and gas are very important for Ukraine, wheat and many other things are very important for Azerbaijan," noted Kuchma.

Today at 16:00 by local time Leonid Kuchma has left Baku for Kiev.

Kuchma-SOCAR Meeting Detailed

NC2807145995 Baku TURAN in English
0859 GMT 28 Jul 95

[FBIS Transcribed Text] Baku/27.07.95/TURAN—"I offer Ukraine joint development of oil fields of Azerbaijan," Geydar Aliyev told today during a meeting of the president of Ukraine Leonid Kuchma with representatives of SOCAR [State Oil Company of Azerbaijan]. Vice-president of SOCAR Sayad Ibrahimov told the president of Ukraine that there were oil fields in Azerbaijan which were not included the consortium and Ukraine could take part in their development. At the same time Ibrahimov said that there were oil fields in the Black sea too and Baku's oil men could develop them together with Ukrainian specialists. The President of Ukraine Leonid Kuchma supported the implementation of this idea.

The parties stated the fact of co-operation between both countries on delivery of oil equipment and technology, however, these deliveries stopped after 1991. Leonid Kuchma supported that bilateral co-operation in the field of oil production and delivery of equipment was carried out on the basis of long-term program.

Azerbaijan's Prime Minister Fuad Guliyev proposed to take from the pact the agreement on co-operation in the sphere of energy and to sign it separately. That idea was supported by both presidents and the experts of both sides were instructed to prepare the relevant draft of bilateral agreement and to submit for signature tomorrow.

Leonid Kuchma supported the reanimation of gas project 1991 Iran-Azerbaijan-Ukraine. The parties supported the detailed analysis of the project.

The sides discussed closely the matter on mutual payment. According to preliminary agreement that issue will be solved by means of clearings nod barter deals.

Then the meeting was held behind the closed doors.

Azeri-Armenian Settlement Discussed

LD2807165995 Moscow ITAR-TASS in English 1617 GMT 28 Jul 95

[By Sevindzh Abdullaeva, Viktor Shulman]

[FBIS Transcribed Text] BAKU, July 28 (ITAR-TASS) — Azerbaijan President Geydar Aliyev said on Friday [28 July] that the key to solution of the Karabakh problem is in the hands of Russia, which is capable of settling this conflict. He addressed a joint news conference on results of the visit to Baku by Ukrainian President Leonid Kuchma.

The Ukrainian leader stressed in his turn that Ukraine is ready to take a more active part in the settlement of the Armenian-Azerbaijani conflict. He said that Ukraine's place in the world community and its role in solving this complicated problem are not adequate. That is why Kiev intends to invigorate its effort within the OSCE peace process.

Both presidents stated the unanimity of their views about the CIS. In Kuchma's opinion the CIS has a future "if the opinion of every Commonwealth country is taken into consideration, and decisions are taken with account of the interests of each of the independent states."

Kuchma on Azeri Refugee Problem

LD2807140495 Moscow ITAR-TASS in English 1345 GMT 28 Jul 95

[By Sevindzh Abdullayeva, Viktor Shulman]

[FBIS Transcribed Text] BAKU, July 28 (ITAR-TASS) — Ukraine will take every effort at the Organisation for Security and Cooperation in Europe to draw attention of the world community to a million of Azeri refugees, Ukrainian President Leonid Kuchma said in Baku today.

Kuchma, who finished his visit to Azerbaijan today, together with Azeri President Geydar Aliyev on Thursday met refugees from Nagorno-Karabakh who are temporarily accommodated in Baku.

Kuchma said Aliyev "was very touched by what he saw".

Kuchma said Azerbaijan could not cope with the refugee problem and with the conflict alone.

Kuchma sees solution in pooling of international efforts at the level of the OSCE and the U.N.

He said Ukraine would call on the U.N. High Commissioner for refugees to help the refugees and broker conflict settlement.

Kuchma said Ukraine denounces separatism as the greatest evil of the 20th century.

The spread of this ominous tendency, which caused suffering of ordinary people in many parts of the world, must by stopped by international efforts, Kuchma said.

Eleven Agreements Signed

LD2807140095 Moscow ITAR-TASS in English 1344 GMT 28 Jul 95

[By Sevindzh Abdullayeva, Viktor Shulman]

[FBIS Transcribed Text] BAKU, July 28 (ITAR-TASS) — A two-day visit of Ukrainian President Leonid Kuchma finished today with the signing of 11 protocols and agreements between Ukraine and Azerbaijan.

Kuchma and Azeri President Geydar Aliyev signed agreements on cooperation in the oil sector, free trade, air services and pension payment.

Protocols on cooperation and consultations were signed by the Azeri national security ministry and the Ukrainian security service, and by the two states' foreign ministries.

Aliyev and Kuchma signed a final communique and a protocol on opening of Azeri and Ukrainian embassies in Kiev and Baku.

Aliyev said at the signing ceremony that a law base had been set up for the relations between Azerbaijan and Ukraine.

The base will be broadened, he said.

The sides started to draft a friendship and cooperation agreement which is to be signed during Aliyev's visit to Ukraine.

Aliyev Comments on Agreements

LD2807194395 Moscow INTERFAX in English 1802 GMT 28 Jul 95

[FBIS Transcribed Text] BAKU, July 28 (INTERFAX) - The visit by Ukrainian President Leonid Kuchma to Baku resulted in Azerbaijan and Ukraine signing 10 inter-government documents, including agreements on trade-economic cooperation for 1995, on free trade, on industrial cooperation, on air transport, a protocol on cooperation in the oil industry, etc.

"We discovered that we have completely the same views and positions on many issues regarding international cooperation, including as far as the CIS is concerned," Azerbaijani President Geydar Aliyev told a press conference today.

"It's very important for us that the two countries respect such principles of international law as political and economic independence, territorial integrity and inviolability of borders," Aliyev said. He said the fact that the two countries shared the same position on such serious problems and in particular on the problem of separatism which "in principle contradicts all standards of international law" was an important factor in bilateral relations.

With regards to the CIS capacity for survival, Kuchma said the CIS has a future as long as the position of each and every member state is always taken into account. "If it this is taken into account there will be no conflicts similar to the one in Karabakh or they will be resolved," he added.

With regards to Ukraine's participation in settlement of the Karabakh conflict, Kuchma said the place and role of Ukraine in it was not in line with Ukraine's capacity. He promised that Ukraine would state its position on the issue in the OSCE in the near future. Kuchma said Ukraine was ready to ensure the military presence of Ukrainian peacekeeping forces in the conflict zone.

The presidents also announced that the two countries had reached agreements in the area of transport, without which, as Kuchma put it, all the signed agreements would be just "castles in the air."

Aliyev emphasized the importance of opening the border between Azerbaijan and Dagestan, the main link between Azerbaijan and the ex-USSR northern regions. This border was closed before the Chechen events because of the criminal situation in the region, he said. Aliyev said that settlement of this problem largely depended on Russia.

Aliyev said that the two countries had discussed possible creation of a joint holding company with the participation of Ukraine, Azerbaijan and Georgia for ensuring transport between Azerbaijan and Ukraine through Georgia, which has access to the Black Sea ports. He said another attractive project concerned access to Turkmenistan, Uzbekistan, Kazakhstan and other eastern regions through the Caspian Sea. He said that to carry out this project it was necessary to have the consent of the countries involved.

The two presidents said another important result of the meeting was cooperation in the area of oil-extraction projects, as planned. "We are interested in Ukraine participating in development of the Azerbaijani oil fields both on land and at sea and are ready to create relevant conditions for this," Aliyev said.

Kuchma said Ukraine had proposed that Azerbaijani oil workers take part in development of Ukrainian oil fields, including those on the Black Sea shelf.

The Ukrainian president left for Kiev today.

Kuchma Concludes Visit, Departs

NC2807200895 Baku Radio Baku Network in Azeri 1700 GMT 28 Jul 95

[FBIS Translated Excerpt] President Leonid Kuchma's official visit to Azerbaijan ended today. Our special correspondent has covered his visit to our republic. He reported that Kuchma held talks with President Aliyev this morning. He said he was satisfied with the arrangements for his visit to Baku and noted that the cooperation between Azerbaijan and Ukraine will be improved. President Aliyev and President Kuchma later met with businessmen and leading officials from several establishments at the Presidential Palace. The two presidents addressed the meeting. [passage omitted]

President Kuchma said he is convinced economic relations between Ukraine and Azerbaijan will exceed the bounds of the documents that will be signed in Baku.

Asked questions by Azerbaijan's [word indistinct], President Kuchma said he is convinced that [words indistinct] will be resolved. A ceremony was held later for the signing of several documents. Eight agreements were signed between Azerbaijan and Ukraine on cooperation in the scientific, [word indistinct] cultural, and social fields. They were signed by ministers from the two countries. The two presidents signed a joint communique on the visit [words indistinct].

President Aliyev and President Kuchma held a joint news conference after the documents were signed. They addressed journalists and then answered their questions. Asked why Ukraine has not opened an embassy in Azerbaijan, President Kuchma said the issue [words indistinct]. President Aliyev said the subject of opening embassies [words indistinct].

President Kuchma visited the central [word indistinct] factory in Baku. He left for Kiev on a special flight in the afternoon.

Georgia

Senior NATO Commander Pays Official Visit

Meets Shevardnadze

LD2807154895 Tbilisi IPRINDA in Russian 1330 GMT 28 Jul 95

[FBIS Translated Text] Tbilisi, 28 Jul — The press secretariat of the Georgian head of state reports that Eduard Shevardnadze met Sir Jeremy Mackenzie, deputy commander in chief of NATO forces in Europe, today. The general briefed Shevardnadze on the results of his visit to Georgia. In his words, he has had mutually useful meetings with Georgian officials. Shevardnadze said relations between Georgia and NATO were in their initial stage at the moment. According to the Georgian head of state, Georgia is interested in cooperation with NATO.

Dispels Hopes for NATO Membership

LD2807185395 Tbilisi Radio Tbilisi Network in Georgian 1700 GMT 28 Jul 95

[FBIS Translated Text] General Jeremy Mackenzie, the deputy commander of NATO forces, had a meeting with members of the Commission for Defense and Security of the Georgian Parliament. Other members of the parliament also attended the meeting.

The meeting has, in a way, dispelled the hopes of the Georgian side, because what the parliamentary opposition, led by Irakli Tsereteli [National Independence Party] and Nodar Natadze [United Republican Party], expected — that is, to join NATO as a member country — remains an unattainable wish.

Jeremy Mackenzie's response was: "NATO wants to establish a partner relationship, and the Partnership for Peace program will, therefore, be considered a serious step. As for the membership expansion, we need to be realistic. Only a few countries are prepared to meet NATO requirements."

Details NATO Policies

LD2807162895 Tbilisi IPRINDA in Russian 1330 GMT 28 Jul 95

[FBIS Translated Text] Tbilisi, 28 Jul — A meeting between Sir Jeremy Mackenzie, NATO deputy supreme allied commander, and deputies of the Georgian Parliament was held today, an IPRINDA correspondent reports.

Mackenzie told the deputies that his first visit to Georgia aimed to look into the present stage of the NATO-Georgia partnership program. Mackenzie also said that his visit was not aimed at considering issues of NATO expansion. "At the moment, Georgia needs to work within the limits of the program in order to settle current problems peacefully. As far as relations between Georgia and Russia are concerned, this is outside my competence," Mackenzie said. Answering a question about the situation in Bosnia, Mackenzie said the issue was completely within the competence of the UN forces. Mackenzie told the deputies that NATO was not only a military, but also a political body and its existence did not depend on the limitation of the Cold War in Europe or in the world.

In conclusion, the NATO official said that in the course of the visit he had already been to Azerbaijan and will leave Georgia for Armenia.

It should be noted that only two journalists attended the meeting. This can be accounted for by the negligence of the organizers of the meeting.

Armenian Foreign Mininster Arrives on Visit

Meets Chikvaidze on Relations

LD2807191395 Tbilisi Radio Tbilisi Network in Georgian 1700 GMT 28 Jul 95

[FBIS Translated Text] Georgian Foreign Minister Aleksandre Chikvaidze today met an Armenian Government delegation led by Foreign Minister Vahan Papazyan, which arrived in Tbilisi to participate in the Days of Armenia in Georgia.

The visiting minister spoke about the recent elections in Armenia and said that their results were perceived in Armenia as the strengthening of a democratic process.

The parties considered issues concerning bilateral relations and, in particular, demarcation of borders between the two countries, Georgia's participation in the process of Armenia-Iran trade and economic cooperation, a working visit of Georgian experts to Armenia together with a team of international experts on nuclear power engineering, safety at main transport routes in the two countries, and other issues.

Members of the Armenian delegation participated in the talks.

Views 'Major Issues' With Premier

LD2907163895 Tbilisi First Program Television Network in Georgian 1500 GMT 29 Jul 95

[FBIS Translated Text] An Armenian Government delegation led by Armenian Foreign Minister Vahan Papazyan had a meeting with Georgian Prime Minister Otar Patsatsia today.

The participants in the meeting considered major issues concerning bilateral relations. In particular, they said it was essential to develop economic relations between the two neighboring countries, to stir up trade, to set up joint enterprises and to promote commercial structures. It was pointed out that all this required great efforts.

Power engineering is one of the major and painful issues for Georgia, the prime minister said. Although our country is rich of water resources, we are utilizing only 12 percent of those. If the Hudoni hydro electric power station is completed, at a cost of $500 million, Georgia will generate 700 MW electricity and it will have an opportunity to supply power to Armenia. The establishment of a Europe-Asia corridor will be beneficial for both countries. This requires urgent arrangements to bring to order railway lines in the two countries. The two sides will later consider the establishment of a joint financial system and a common bank.

All these issues are of vital importance for the two countries, Vahan Papazyan said. Therefore, he is prepared not to spare efforts to have them implemented.

The Armenian foreign minister called for holding Days of Georgian Culture in Armenia before the end of the year. In his view, the neighboring peoples should know each other's cultural heritage better.

Shevardnadze Optimistic About Future With UN Aid

LD2907115595 Tbilisi Radio Tbilisi Network in Georgian 1110 GMT 29 Jul 95

[FBIS Translated Text] Georgian Head of State Eduard Shevardnadze, met representatives of the UN Development Program. The current situation in Georgia was discussed during the meeting. Shevardnadze said that internal conflicts and the civil war had devastated the Georgian economy. A painful process of transferring to the market economy has further complicated the situation. However, Georgia has already overcome the crisis and positive changes are already perceptible. The population treats reforms with understanding and this is very important, the head of state said. The UN assistance programs are planned to increase in the future, thus encouraging the preservation and development of Georgia's scientific and industrial potential.

OSCE Official Optimistic on Ossetia Settlement

MM3107090395 Moscow KRASNAYA ZVEZDA in Russian 28 Jul 95 p 3

[Commentary by Vladimir Mokhov: "On the Path to Peace. One of the First Interethnic Conflicts on the Territory of the Former USSR Is Close to a Political Settlement"]

[FBIS Translated Text] "I am convinced that the Georgians and Ossetians will live peacefully in a single state," Dieter Bolen [surname as transliterated], head of the OSCE mission in Georgia, stated recently.

There is good reason for such confidence. It is connected first and foremost with the completion of the work of the joint control commission for the settlement of the Georgia-Ossetia conflict. In addition to the warring sides the participants in it included Russian and North Ossetian delegations and representatives of the OSCE mission in Georgia.

The sides discussed progress in the use of the 6.5 billion rubles provided by Russia and the 1.3 trillion Georgian coupons set aside for the restoration of the Tskhinval region. The Georgian side expressed a readiness to accept refugees from the Tskhinval region who are temporarily resident in North Ossetia.

But the main question at the joint control commission session was the examination of two plans for the political status of South Ossetia within Georgia. One plan was drawn up by Russian experts, the other by Georgian experts. Observers note that the Russian option envisages far more rights for South Ossetia within an autonomous framework than the Georgian plan. But Irakliy Machavariyani, chief state counselor and deputy leader of the Georgian head of state's staff, believes that there are no differences of principle between them. He said that a favorable psychological atmosphere has taken shape in South Ossetia now, justifying the hope that differences of opinion can be settled by purely political methods. The constructive approach that the Ossetian side showed during the talks should also be conducive to that. Even though part of the South Ossetian leadership still takes an extreme line on the question of determining the region's status, you do not sense hostility on its part, Machavariani said.

Might the outcome of this extreme line not be that events will develop according to the "Abkhaz" scenario rather than a "Russian" or "Georgian" one? The only guarantee against that is broad autonomous powers for South Ossetia within the framework of a federal Georgia.

S. Ossetian Official on Cooperation With Georgia

LD2907191795 Tbilisi First Program Television Network in Georgian 1500 GMT 29 Jul 95

[FBIS Translated Text] South Ossetia has been conducting an independent foreign policy since it became a republic, the foreign minister of the so-called South Ossetian republic, Dmitriy Medoyev, has told a BS-press agency correspondent. In his view, the principal task of the ministry is to establish and develop diplomatic and economic relations with friendly republics and peoples. Dmitriy Medoyev names Abkhazia, Dagestan, Kabardino-Balkaria, Adighe, Nagornyy Karabakh, Gagauzia, Dnestr, and Crimea as the friendly republics. As for the policy of the South Ossetian Foreign Ministry with regard to Georgia, Dmitriy Medoyev said that South Ossetia was prepared to cooperate with Georgia on equal conditions.

Investigation of Kitovani Completed; Trial Expected

LD2807153495 Tbilisi IPRINDA in Russian 1330 GMT 28 Jul 95

[FBIS Translated Text] Tbilisi, 28 Jul — An IPRINDA correspondent was told at the press center of the Georgian Prosecutor's Office on 28 July that the prosecutor's office had completed an investigation, made charges, and submitted for trial a case on the parliament deputy, Tengiz Kitovani [former defense minister and leader of a coup against former President Gamsakhurdia] as well as 11 other cases on 25 persons accused, along with Kitovani, of founding an illegal armed formation and illegal possession of arms according to Article 238 of the Georgian Criminal Code.

Socialist Party Presents 'Draft of Objectives'

LD3007133595 Tbilisi Radio Tbilisi Network in Georgian 1200 GMT 30 Jul 95

[FBIS Translated Text] New socialism, new Georgia, freedom, a society of free people and a state where each member of the community enjoys equal rights, has duties and responsibilities before the community and the state — this was a guiding spirit of the conference held by the Georgian Socialist Party at the conference hall of the Palace of Youth in Tbilisi.

Socialist Party Chairman Temur Gamtsemlidze presented a draft of objectives of the party, which proclaimed the necessity of building a civic socialist state, maintaining the country's integrity, observing the supremacy of law, creating a dynamic economic system through reforms, establishing a stable environment, accumulating major levers of macroeconomic control in the hands of the state, and developing free entrepreneurship.

Vakhtang Rcheulishvili [founder of the party, deputy speaker of the Georgian Parliament] said: The major point is to create a Georgian version of socialism, which is be based on the models of socialism known in the world and, at the same time, provides for the requirements of Georgia, that is, of a state which is at its transitional period of development.

Estonia

Ratification of Troop Agreement With Russia Initiated

MM3107110095 Moscow PRAVDA in Russian 28 Jul 95 p 1

[Report by Lembit Annus: "We Have To Keep Our Word. Estonian Parliament Will Have To Ratify Treaty With Russia"]

[FBIS Translated Text] Tallinn — Nothing in Estonian society has probably given rise to as much contradictory rumor as the signing by the Estonian and Russian presidents in Moscow a year ago, 26 July, of the agreements on the Russian troop withdrawal and social guarantees for Russian military pensioners and their family members living in the republic. During that year we have seen two changes of government here, and the Cabinet of Ministers headed by Tiit Vahi has finally decided to initiate ratification of them after being in power for 100 days.

At its last session Tuesday the government approved the Estonian-Russian agreements. Commenting on this decision at a press conference, Prime Minister T. Vahi stressed that "it was one of the most important" decisions. According to the prime minister the "discussion was calm, since this issue had already been discussed by ministers on several occasions." The new government decided to take this step a day before the first anniversary of the Moscow agreements. We need to realize that the government's decision was exclusively dictated by Estonia's international interests.

It is no secret that the ratification of the July agreements will largely determine Estonia's relations not only with Russia but with the EU. Incidentally, they have already been ratified by the Russian Federation State Duma. Moreover the treaty on the withdrawal of Russian troops from Estonia has already been carried out with a vengeance. The Russian troops left the country 31 August last year — bang on schedule. Consequently, I do not think that there should be any particular problems with ratifying the treaty in parliament. Although even there everything is not that simple. For instance, Paragraph Four of the government decree ties up some loose ends for ministries and departments in connection with the coming ratification in parliament. In particular, the Foreign Ministry is instructed to expedite [intentsifirovat] the conclusion of a border treaty with Russia on the basis of Articles 122 and 123 of the Estonian Republic Constitution.

This can be seen as indirectly linking the Moscow agreement with the Estonian-Russian agreement that is in preparation and has no connection with the Moscow agreement or with the 1920 Tartu Peace Treaty.

Things are more complex with the ratification of the agreement on special guarantees for Russian military pensioners and their family members. After all, over the past year only 50 out of 10,700 pensioners have been issued with term [srochnyy] residency permits for the republic. It is typical that the Foreign Ministry is now vocally campaigning for domestic legislation to be amended to get this issue moving.

Naturally, the belligerent opposition will now be doing its utmost to accuse the government of forgetting about Estonia's national interests and making concessions as a result of pressure from Moscow. But whether we like it or not, the Estonian parliament will still have to ratify the Moscow accords. This will not happen before late September or early October this year.

Meri Opposes Linking Troop Pullout With Border Treaty

LD2807181295 Moscow INTERFAX in English 1533 GMT 28 Jul 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Estonian President Lennart Meri is against linking the ratification of the Russian-Estonian agreements on the troop pullout and social guarantees for retired Russian officers with the conclusion and ratification of a border treaty with Russia.

(Estonia's Eurominister Endel Lippmaa had stepped forward with this demand on Thursday [27 July] - IF note).

Meri told Interfax that he entirely shared the government's stand on the issue. On July 25, the Estonian government decided to submit the documents for ratification by parliament. The agreements had been signed by the Russian and Estonian presidents in Moscow on July 26. (Last week, the State Duma ratified them - IF note).

"It seems to me that it is inexpedient to take steps, capable of dropping a shadow on our intention to build relations with our eastern neighbor on the basis of good will and accord, once the slow, but positive process of normalization of Russian-Estonian relations began," he emphasized.

Meri said bilateral consultations on the border issue launched in Tallinn on Monday were held "in a business-like ambience, both sides being realistic."

IF Note: Referring to the 1920 Tartu peace treaty, Estonia lay claims on about 2,500 square kilometers of land in the Pskov and Leningrad regions which passed to Russia after the WWII. Russia regards the treaty as out-of-date and lacking legal force.

Meri also said he had sent his Russian counterpart, Boris Yeltsin, a letter on the occasion of the first anniversary of the agreements. He said the two sides "will be able to solve issues concerning the ratification of the free trade treaty, signed in 1992, but "stuck" later, and advance on the border issue."

Speaking at a news conference in Tallinn on Thursday evening, Meri was positive about the agreements concluded a year ago. He said the passed year was "a time of better relations with Russia and enhanced security of Estonia."

"Life demands the constructive dialogue be continued and new treaties concluded," he added saying he was chiefly referred to trade and economic relations.

Commenting on Estonia's relations with NATO, Meri said "the constructive relations between NATO and Russia, as well as those between Russia and Estonia, are essential to ensuring the region's security."

Meri described Estonia's involvement in the Partnership for Peace program as the start of its integration in NATO. "Estonia seeks to step up the process in any way possible," he added. At the same time, he urged "to distinguish between countries seeking membership in the North Atlantic alliance and countries limiting themselves with participation in the partnership program to develop the dialogue on security."

The same news conference touched on the Estonian leadership's reaction to the detention of four Estonian residents in Thailand for drug trafficking.

IF note: Three 25-year-old women and one men were detained in Thailand on June 21 as they attempted to take 1.5 kilograms of heroin out of the country. According to the local law, they may face death penalty for drug trafficking.

Meri said that after all the circumstances are clarified, "if there is a possibility, I will definitely appeal to the government of Thailand." He said not a single death sentence had been executed in Estonia since it regained independence in August 1992.

Baltic Military Adviser Holds News Conference

WS2807125295 Tallinn ETA in English
0751 GMT 28 Jul 95

[From EESTI SONUMID, POSTIMEES, July 28, p.3; "News Bulletin" No. 148/95]

[FBIS Transcribed Text] President Lennart Meri received yesterday in Kadriorg General Garry Johnson, a leader of a group, counselling the Baltic countries in military matters. The group consists of former NATO senior officers.

At the press conference after the meeting Johnson told the present draft of the Estonian defence conception contained all essential. [sentence as received] He said there was no need for details in the document. President Meri told there were slight problems in the conception, some points have to be changed for practical reasons.

President made a statement yesterday after the meeting, informing that in the year after the signing of Estonia-Russian agreements the bilateral relations have improved and Estonian security strengthened. He said the constructive dialogue should continue and new agreements approved, among them the one over the economic contacts between the countries.

"My opinion over the ratification of Estonian-Russian July agreements is in full accordance with the government's position", Meri told. It was obviously a comment of the statement by the Minister of European Affairs Endel Lippmaa who claims that border agreement should be signed before ratification. There should not be steps that would cast a shadow to our goodwill, Meri said.

"The current tragedy in Balkan countries, caused because of lack of security contacts, creates a serious anxiety in the Baltic countries. It reminds us why the integration with Nato has been and will be our aim", President stressed in the statement.

Lennart Meri met later on day the Russian Ambassador and gave him a letter to the Russian President Boris Yeltsin. In the letter marking the anniversary of the July 26 agreements, Meri expresses his satisfaction over the ratification of the agreements in the Russian Duma and hopes the free trade agreement between the countries, signed July 7, 1992 would be ratified soon.

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